THE MARWARIS

THE MARWARIS

From Traders to Industrialists

THOMAS A TIMBERG



VIKAS PUBLISHING HOUSE PVT LTD
New Delhi Bombay Bangalore Calcutta Kanpur

VIKAS PUBLISHING HOUSE PVT LTD
5 Ansari Road New Delhi 110009
Savoy Chambers 5 Wallace Street Bombay 400001
10 First Main Road Gandhi Nagar Bangalore 560009
8/1 B Chowringhee Lane Calcutta 00016
80 Canning Road Kanpur 903001

ISBN 0 7069 0528 8

1V02T1101

Preface

The present volume is the result of work spread over five years, and already covered in part in several other publications cited in the biblio graphy My first work on the subject was done with funds from the Development Advisory Service at Harvard University, in the summer of 1967, and published by them as a memorandum in June 1969 I continued my work on Marwaris during 1968 and 1969 A later recension is available in a paper delivered to the Bengal Studies Conference in May 1969 and published with the other proceedings of that Conference by Michigan State University, Asian Studies Center in the Fall of 1971 I received a Foreign Area Fellowship for work in India in 1969 and returned to the United States in September 1971 to work on the final draft of my Ph D thesis on which this work is based

I would like to thank Drs Gustav and Hanna Papanek for their initial encouragement in this study and continuing support my thesis advisor, Prof Henry Rosovsky for the time he devoted to going over various versions of the thesis manuscript, my two formal host institutions in India—the Birla Institute of Technology in Pilani, Rajasthan and the Indian Institute of Management in Calcutta—especially Drs Dool Singh B R Aggarwal and S K Porwal at the former and Borun De and Kaumini Adhikari at the latter as well as two informal institutional hosts—the Delhi School of Economics and the University of Rajasthan at Jaipur—especially Drs Tapan Raichauduri, Dharma Kumar, Krishnamurty, and Radhakrishan at the former and Dr Dilbagh Singh at the latter

I would like also to thank the numerous students of the history of Bengal and Rajasthan who have assisted me and given generously of their time and wisdom to me in this endeavor—especially Drs Blair Kling Subyasachi Bhattacharya Pradip Sinha—those who have specia lized in the study of Indian business—especially Drs Wayne Broehl, Stanley Kochanek, and C A Bayly the historians of the Marwari community itself, pre eminently Rishi Jaimini Kaushik Barua' and Vishambharlal Sharma and the numerous Marwari families who told me of their family history and made private records available to me Most of Chapter V is based on such records now in the possession of Mr Janki Prasad Poddar of Calcutta and Chitrkot, Sir Bhagchand Soni

of Ajmer, and Mr Srinivas Dalmia of Calcutta A special note of thanks is due to Mr R K Dalmia and his son, Mr Grun Nidhi Dalmia, for a chance to read his unpublished memoirs and to Mr L N Birla and Santosh Mukherjee of the Birla Organization who assisted me in studying the history of that family Finally, I want to extend a general note of thanks to the many Indians of all communities who assisted and befriended me during my 19 month stay in that country

It goes without saying that those who assisted me are in no way responsible for my analysis or conclusions

THOMAS A TIMBERG

Tables

1 Community of Leading Industrialists 10

2 Cotton Textile Imports to India 49

3 Exports from India 50

4 Calcutta Mercantile Population in 1921 57

5 Shipments of Cotton to Japan 63

6 Marwari and European Control of the Economy 79

6 A Number of Marwari Migrants 88

7 Major City Marwari Population 89

8 Population of Banias in Rajasthan 107

9 Shekhavati Migrants in 1911 110

10 Bikaner Emigrants in 1901 112

11 The Migration Sample by Region of Origin 114

12 Old Firms in Sample 115

13 Industrial Holdings 119

Maps

1 Map of Indian Empire, 1908 09 (showing major commercial centres) 4

2 Map of Marwari Migration 86

3 Map of Shekhavati Region 94

4 Map of Rajasthan 104

5 Map of Eastern India 116

6 Map of Assam 118

7 Map of Southern and Western India 122

Contents

SECTION A INTRODUCTION

I *The Strength of Commercial Communities in Indian Industry* 3

SECTION B THE MARWARIS

II *Marwari Entrepreneurship An Historical and Theoretical Overview* 15

III *The History* 41

IV *Marwari Merchant Migration A Survey and Discussion of the Relevance of Theory* 85

SECTION C THE TYPES OF THE FIRM

V *Great Firms* 130

VI *Banians and Brokers* 148

VII *Speculators and Industrialists* 161

SECTION D CONCLUSIONS

VIII *Many Roads to Capitalist Development* 175

SECTION E APPENDICES

A *Regional Details of the Marwari Migration* 179

B *Conservative Satire of Maheshwari Reformers from* Maheshwari Bandhu 229

C *Population of Marwari Merchants in Rajasthan and their Locations* 235

Bibliography 237

Glossary 255

Index

SECTION A

INTRODUCTION

CHAPTER I

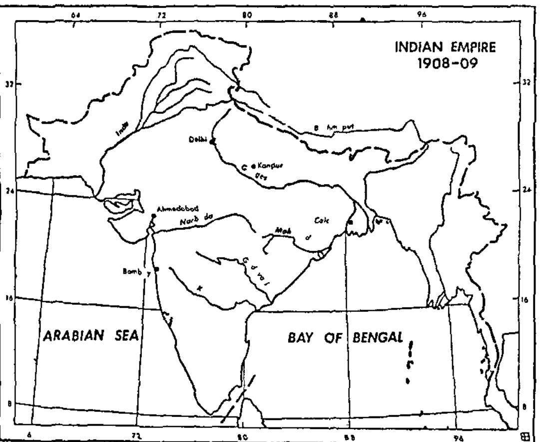
The Strength of Commercial Communities in Indian Industry

Industrialization in North India from 1860 to 1940 was concentrated around the ports of Calcutta and Bombay, and the inland centers of Ahmedabad and Kanpur By 1860 British power was definitively established all over India The commercial exploitation of Indian agriculture, through the export of India s grain, indigo, and cotton, was in full swing Indian industrialization involved the further domestic processing of items which were already being exported, such as jute cotton or tea, or the domestic manufacture of goods which were formerly imported such as steel and chemical dyes From its origins in the beginning of the nineteenth century, Indian industrialization had to contend with the indifference if not the open discouragement of the country s political authorities Only after World War I did the government give mild protection and some encouragement to selected forms of industrial enterprise, especially to paper, sugar, and cement After independence in 1947 a general protectionist system was introduced

The founding of these new Indian industries involved entrepreneurship of a different sort from that embodied in the first textile mills in England The technical problems had already been overcome elsewhere What was necessary in India was the coordination of the factors of production to produce efficiently enough to meet the constant foreign competition

A rapid survey of Indian industrialization indicates that India's industrial entrepreneurs came largely from a small number of trading communities In this thesis we shall study one of these successful commercial and industrial communities the Marwaris As Amalendu Guha[1] emphasizes in a recent article many communities were available for industrial roles I will try to establish the reason for the dispropor-

[1]Amalendu Guha The Comprador Role of Parsi Seths 1750-1850 *Economic and Political Weekly*, V (Nov 28 1970) p 1934



INDIAN EMPIRE
1908-09
Delhi
Kanpur
Ahmedabad
ARABIAN SEA
BAY OF BENGAL

tionate success of those from commercial communities, and what their community structure had to do with their success I will next address the question of what advantages the Marwaris had over other commercial communities

What is a Commercial Community?

Almost all Indians belong to some group, community, or *jati*, normally endogamous to which are connected certain stereotypes, traditions occupational directions, attitudes, and social positions Many of these communities are, in fact, castes as narrowly defined, but others are separate religions or nationalities or somewhat more flexible groupings The cultures of a group of castes may be so similar that they will be considered in the estimation of outsiders as one community Sociologists call such a group of castes or *jatis*—a ' jati cluster [2] Thus the Marwari trading community contains as we shall see, several castes or *jatis* A community may be separated internally by caste, ritual, regional or economic differences

Some of these communities are commercial often called *Bania* or *Vaishya* Their members are largely traders In connection with their specialization in trade, these communities have developed various institutions which enable them to trade more easily If wives and children are left at home so that males can travel on business, the joint family home provides shelter for family dependents Wandering traders find wherever they go, support and housing provided them by their communal fellows Marwaris, for example, first settled in *basa* collective messes run by the 'great firms or on a cooperative basis, in the major towns Sometimes the *basa* were run as philanthropies and provided free board to the newcomer In Appendix A there is some reference to two such charitable messes in Calcutta, run by two of the town s leading cloth merchants Nathuram Saraf of Mandawa and Surajmal Jhunjhunwala of Chirawa G D Birla s grandfather, Shiv Narain, settled in a *basa* run on a cooperative basis by immigrants from his home village of Pilani, when he first arrived in Bombay in the 1860s [3] Today the Birla family is the most important among the Marwari industrialists Hanna Papanek, in her work on the

[2] David Mandelbaum *Society in India Vol I Continuity and Change* (2 vols Berkeley Calif 1970) pp 19 and passim

[3] Jaimini Kaushik Barua *Raja Baldeodas Birla* (Calcutta n d) p 22

Memons, a Muslim trading community in India and Pakistan, notes these collective messes as a peculiarly effective part of their trading system [4]

Communal credit networks enabled trading operations to move smoothly Alan R Cohen describes the *sarafi* system used by Marwari cloth traders in Benares

> Firms in the system borrowed from each other whenever short of cash, loans were payable on demand, even at midnight, and interest was tallied and settled once a year with total borrowing offset by total lending [5]

Community banks provided accommodation for goods in transit and remittance facilities Communal customs provided for apprenticeships in which youngsters could learn the techniques of business, and profit sharing schemes by which they could accumulate enough capital to start their own enterprises [6] Communal or sometimes inter communal institutions existed for adjudicating commercial disputes [7]

As communities have moved away from their homelands and into industry, the caste institutions have taken on new forms—caste associations loan funds, hostels and charities As S Levin a Soviet scholar puts it, traditional institutions of reciprocal support' were transformed to serve an industrializing nascent middle class [8] Some of these commercial community firms may have had characteristics that limited their expansion in comparison to others Their goal was a rather more

[4]Hanna Papanek Pakistan s New Industrialists and Businessmen Focus on the Memons (hereinafter referred to as Memons) (paper delivered at the Conference on Occupational Cultures in Changing South Asia University of Chicago May 1970) pp 18 and passim

[5]Alan R Cohen Tradition Values and Inter role Conflict in Indian Family Business (unpublished D B A Thesis Harvard Business School 1967)

[6]Harry Abram Milman The Marwari A Study of a Group of Trading Castes (unpublished Masters Thesis University of California at Berkeley 1959)

[7]E Washburn Hopkins Ancient and Modern Hindu Guilds in *India Old and New* (New York 1901) pp 169 205

[8]Sergei Friedrikovich Levin Musulmanskie Torgovlennie Kasty in S G Kotovsky (ed) *Kasty v Indii* (Moscow 1965)

complex one then simply maximizing their firm's growth or profit—they were concerned, perhaps, with maximizing its name These firms fell by the wayside and that too, is part of our story These commercial communities, as a whole, number less than 6 per cent of the Indian population and the successful ones among them are, of course, many fewer [9]

The commercial community is not a universally accepted category for analysis as we shall see in a moment But it is not difficult to make the argument that it is a far more relevant category in India than the U S—and even that it is the category most relevant to the problems we raise

There are studies which have been done of Jewish bankers in nineteenth century Europe, or black businessmen in the United States but the more normal patterns of grouping with which we are familiar in Europe and America are along firm locations or industrial lines Thus we are used to studies of New England merchants or early entrepreneurs in the wool industry Part of the reason for a preference for the commercial community category in India is essentially a matter of convenience Much of the available material is organized on community lines But other more substantive reasons will emerge, as we observe the extent to which behavior patterns are common to whole communities and not to others from their region of origin [10]

[9]*Census of India 1931 Imperial Tables* Part I (Delhi 1933) p 529

[10]D K Gadgil *Notes on the Rise of Business Communities in India* (N Y , 1951) D K Gadgil *et al* *Origins of the Modern Indian Business Class An Interim Report* (N Y 1959) Phiroze Medhoga Entrepreneurship in India *Political Science Quarterly* LXXX (Dec 1965) pp 558 580 Ashok V Desai The Origins of Parsee Enterprise *The Indian Economic and Social History Review* V (Dec 1968) pp 307-317, Amiya Kumar Bagchi European and Indian Entrepreneurship in India 1900 1930 in E Leach and S N Mukherjee (eds) *Elites in South Asia* (Cambridge England 1970) pp 223 256 and *Private Investment in India 1900-1939* (Cambridge England 1972) Similarly both S F Levin and V I Pavlov the two Soviet scholars cited elsewhere in this thesis use the communal categories as does Hanna Papanek in her work Memons and several other studies cited in the bibliography Two additional community studies of the Parsees are by Robert Kennedy The Protestant Ethic and the Parsis *American Journal of Sociology* LVII (July 1962) pp 11 20 and Eckehard Kulcke *The Parsees in India* (Delhi 1974) Two American writers also dealt with the phenomenon of commercial communities in the 1950s Andrew J Brimmer Setting of Entrepreneurship in India *QJE* LXIX (Nov 1955), pp 553 576 and Helen Lamb The Indian Business Communities and the Evolution of the Industrialist Class *Pacific Affairs*

Some other historical approaches to Indian business activity do use other categories than that of commercial community Mrs D P Pandit in her article on Creative Response in Indian Economy A Regional Analysis, takes a position recently defended by K L Gillion in his history of Ahmedabad—for the primacy of region or origin as an analytical category [11] Mrs Pandit theorizes that in Western India's case the differential roles of the merchants of the port city of Bombay and those of inland Ahmedabad was determined by their geographical location—the former as innovators the latter as follower entrepreneurs In the port city of Bombay Indian businessmen were open to new influences not present in inland Ahmedabad New ideas and possibilities were likely to make their debut in Bombay

The general regional attitude toward commercial activity may be a crucial element in an emigrant group s success in business In the case of Bengal several commentators especially Kling assign an important role to the anti commercial ethic, in explaining the absence of as large a number of successful businessmen as might be expected [12] As Kling points out this explanation has been accepted in public discussion in Bengal for the last hundred years A considerable polemic against the anti commercial ethic was launched by those involved in the Swadeshi movement, to create new industry in Bengal in the early twentieth century Kling further suggests that the anti commercial orientation of

XXVIII (June 1955) pp 101-116 Helen Lamb The Indian Merchant in Milton Singer (ed) *Traditional India Structure and Change* (Philadelphia 1959) pp 25 34 article in R Park and I Tinker (eds) *Leadership and Political Institutions in India* (Princeton 1959) pp 251 267 Helen Lamb The Development of Modern Business Communities in India in R F Aronson and J P Windmuller (eds) *Labor Management and Economic Growth Proceed in s of a Conference on Human Resources and Labor Relations in Underdeveloped Countries* (Ithaca N Y 1954)

[11] D P Pandit Creative Response in Indian Economy A Regional Analysis *Economic Weekly* (Bombay) IX (Feb 23 and March 2 1957) pp 283 285 and 315-317 K L Gillion *Ahmedabad A Study in Urban History* (Berkeley Calif 1969) supports her position on p 81 The position was countered by Hemlata Archarya Creative Response in Indian Economy A Comment *Economic Weekly* IX (April 17 1957) pp 547 549 and R S Rungta *The Rise of Business Corporations in India 1851 1900* (Cambridge England 1970) p 165

[12] Blair Kling Oral Discussion of Papers of the Bengal Studies Conference May 1969 at the University of Illinois at Champaign Urbana Ill Blair Kling Entrepreneurship and Regional Identity in Bengal in D Kopf (ed) *Bengal Regional Identity* (East Lansing Mich 1969) pp 75 84

Bengalis, as compared with Marwaris, was partially explained by Marwar s position at the crossroads of the major caravan routes, and Bengal s removal from those routes It was because of their commercial experience Kling felt that the Marwaris produced such a vigorous merchant class

Marwari and Gujerati regional cultures, it can be argued, assign a somewhat higher place to commerce and to merchants than does that of Bengal

The form of entrepreneurship may also be influenced by the nature of commerce in a group s home region The existence of vigorous futures markets in Rajasthan undoubtedly prepared the Marwaris for their successful roles as speculators These markets in turn may well be connected with the precarious dependence of Rajasthan agriculture and economic well being on the precise nature of the annual rainfall

The location of Rajasthan at the head of the Ganges, and Malwa trade routes undoubtedly influenced the direction of migration and the commodities in which Marwaris traded On the other hand, Gujerat s many small sea ports accelerated migration from Gujerat to South India and Africa

But Mrs Pandit s regional thesis is not totally sustained since in both Gujerat and Rajasthan it was the traditionally commercial castes who became most prominent in trade

PATTERNS OF INDUSTRIAL OWNERSHIP

We can perhaps verify the dominance of members of certain traditionally commercial communities, among Indian industrialists by looking for a moment at the 37 largest North Indian owned indu trial houses as listed in the *Monopolies Inquiry Commission Report of 1964*

If we add the 19 6 billion rupees of assets controlled by these groups to the 1 2 billion controlled by similar sized south Indian proprietors and the 3 7 billion controlled by foreign owned firms, these large groups appear together to control half of the assets in the non financial sector of the organized industrial economy If we look at the houses in the next size category the picture does not show a different communal complexion We see that the bulk of large scale Indian entrepreneurs today belong to the Marwari or Gujerati community

The two biggest commercial communities are those indigenous to Gujerat and Marwar The Gujerati business castes are found mostly in their own homeland and adjoining Bombay—though no small number

Table 1

COMMUNITY OF LEADING INDUSTRIALISTS

Community	*Number of Firms*	*Assets in Billions of Rupees*
Marwari	10	7 5
Gujerati (Hindu)	13	3 8
Bengali	2	1 5
Parsee	2	4 7
Other	10	2 1
Total	37	19 6

SOURCE *Monopolies Inquiry Commission Report* 1964 (New Delhi 1964) especially pp 119 121

have emigrated to East Africa and Southeast Asia In Gujerat (especially the textile centre of Ahmedabad) and Bombay they dominate the old established textile industry Of the 64 large enterprises listed as belonging to Gujerati businessmen in the *Monopolies Inquiry Commission Report* 34 were textile mills

In this volume I deal with the other major group of businessmen in Indian industry, the Marwaris Marwar is technically the old state of Jodhpur in Rajasthan Since significant groups of traders and industrialists come from the Shekhavati region of the neighboring states of Jaipur and Bikaner and other areas of Rajasthan, there has been a tendency to join all these Rajasthani emigrants under the rubric of Marwari [13] In colloquial usage, outside of Rajasthan *Marwari* is used to refer to emigrant businessmen from the vicinity of Rajasthan In Calcutta, far removed from Rajasthan, popular usage often applies it to any North Indian trader The Marwari Sammelan, a general communal improvement association, headquartered in Calcutta admits

[13]The old administrative unit of Rajputana included twenty two princely states which were in relation to the British Crown through the Resident General who also directly administered the separate enclave of Ajmer Merwara After independence the two political units were joined to form the new state of Rajasthan Except where census data are concerned we will use the two terms interchangeably Shekhavati in the proper sense only includes the northernmost part of the old Jaipur state Sometimes it refers however to a region including adjoining areas of Bikaner state

all those (of any caste) whose homeland lies in Rajasthan or adjoining areas

James Tod, the pre eminent historian of Rajasthan, records 128 merchant castes with members in Rajasthan [14] Of these, however, only the Aggarwals, Maheshwaris, Oswals, Khandelwals, and Porwals exist in large numbers It is the emigrant members of these few castes, originating in or near Rajasthan, who have become prominent throughout Indian commerce as Marwaris According to the 1921 census, there were 627,000 *Banias* (trading caste members) in Rajputana (the old census and administrative unit covering most of Rajasthan), forming 6 per cent of the population there [15] On the basis of some data which will be introduced in Chapter III, I would estimate that there were in addition a diaspora of some 200,000 to 400,000 members of trading castes spread out all over India The 1961 census figures show a roughly similar size population born in Rajasthan But these figures by now do not count the many Marwaris who have been born into the diaspora

The Marwari business groups represent, as Table 1 shows, a larger asset accumulation than the Gujerati A *Time* estimate even said that the Marwaris controlled 60 per cent of the assets in Indian industry [16] The larger Marwari assets are also more widely dispersed than the Gujerati geographically and industrially The 147 large enterprises owned by Marwari groups on the Monopolies Inquiry Commission list included 23 jute mills 34 cotton textile mills, 11 sugar mills, 8 cement factories and interests of one sort of another in almost every available line of endeavour [17]

[14] James Tod *Annals and Antiquities of Rajasthan* (2 vols London 1829-1832) I pp 120-121 and 200-201 and II pp 166-169 There were non-Marwari segments of all these castes

[15] Pandit Brij Jiwan Lal Sharma *Census of India 1921 Vol XXIV Rajputana and Ajmer-Merwara* Part I (Calcutta 1923)

[16] *Time Magazine* (March 1 1963) p 77 cited by Raymond Owens The Rise of Marwaris in Bengal (a course paper at the University of Chicago December 16 1965)

[17] *Monopolies Inquiry Commission Report* 1964 (Delhi 1964) pp 371-438 and passim

CHAPTER II

Marwari Entrepreneurship An Historical and Theoretical Overview

What is it that makes someone successful in business and especially in business of an industrial nature? What is the relation of the successful businessman or industrialist to the process of industrial development? Why is it that certain pre existing groups, often commercial communities, dominate the commerce of some countries? In other countries, only after individual entrepreneurs begin to perform their economic roles, are they formed into a class Are the determinants of business development different in follower industrializers (countries which are not the first to industrialize), or in oriental cultures, than elsewhere? These questions, some of the basic ones of what Schumpeter called Economic Sociology, are the ones to which this volume addresses itself

To attempt to answer these questions I will look at one of the most successful of India s commercial communities, the Marwaris As indicated in the introductory chapter, there are estimates that more than half the assets in the modern sector of the Indian economy are controlled by a group of trading castes originating in the northern half of Rajasthan, popularly called Marwaris

The Marwaris, while somewhat behind other elite classes educationally, more conservative socially, and later entrants into industry than some other trading communities, now play a dominant role in the industry of North and East India The Bengalis are educationally advanced and socially modern, and were one of the first groups to enter industry They might have been expected to play such a role at least in their own homeland in Eastern India, but have today relatively *no role in industry at all* This is a result of the different evolutions of the two communities, and at least partially of the advantages which the Marwaris enjoyed as a community (or, if you will, a ' resource group) organized for commercial activity

This contrast is the exact opposite of what most social theorizing on

entrepreneurship would lead us to expect Max Weber argued that Vallabhacharya Vaishnavas and Jains were especially unlikely to go into industry yet many Marwaris belong to these two religious sects David McClelland assures us

> Probably the most widely accepted notions that theorists have as to why some nations have developed more rapidly than others is that they are more willing to break with industrial survivals of an earlier period and to accept the social and industrial innovations which are part of the new industrial society [1]

A little later McClelland grants that entrepreneurs themselves are often some of the most conservative members of their own societies Still he concludes his book with the usual recommendations, to increase female emancipation dissolve traditional family structures, and so forth, in order to increase the amount of entrepreneurship in a society

The views of those like Weber and McClelland are psychologically determinist They do not allow much play to factors arising from the social structure in which people find themselves embedded, and the roles they are called on to perform They represent nonetheless, the dominant school of thought among those who write on business entrepreneurship

In a recent article Bert Hoselitz follows Weber in arguing that traditional trading communities are unlikely to undertake entrepreneurial tasks—because of their tradition determined approach to trade [2] On the other hand a group of recent studies indicates that empirically it is often conservative traditional trading communities which do produce industrial entrepreneurs [3] We are thus led to re examine the functions of traditional commercial and social values and institutions as they are used by trading communities in the transition to modern forms of economic activity Perhaps it is the presence, rather than the absence of these institutions and values which made the Marwaris and some

[1] David McClelland *The Achieving Society* (New York 1961) p 178

[2] Bert Hoselitz *Sociological Aspects of Economic Growth* (Glencoe Ill 1960) pp 149 154

[3] Alec P Alexander The Supply of Industrial Entrepreneurship *Explorations in Entrepreneurial History* (hereinafter *EEH*) (Second Series) IV (Winter 1967) pp 136-149 and especially pp 140-142 William P Glade Approaches to a Theory of Entrepreneurial Function *EEH* (Second Series) IV (Spring-Summer 1967) pp 245 259 and especially pp 252 253

other commercial communities successful It may be that many institutions, such as the joint family and strong, particularistic caste loyalties are the secret of success in Indian business and industry [4]

For example, the retention of the joint family allegedly restrains entrepreneurs The individual is constrained by the group and cannot move forward On the other hand, there is some indication that a joint family may be a useful institution for mobilizing otherwise scarce factors, such as capital Edward Banfield in a book on Southern Italy suggests that the lack of a joint family system is a key retardant in that society s economic progress [5] Joint family businesses are the rule in India [6] And as a group of cases gathered by Alan Cohen shows these families have developed techniques for dividing authority and cushioning conflict, which serve them in good stead at some stages in their evolution [7] At a further stage the familial motivation may handicap the firm in attracting and motivating outside managers and capital—forestalling necessary expansion

In a variety of Western social science writing on India, pre eminently that of Lloyd and Suzanne Rudolph and Morris-Jones,[8] the keynote has been the discovery of the utility of some traditional institutions in accelerating certain modern sorts of social transformations Some make the same point for Africa where Apter has suggested that the nature of inherited tradition expedites or hinders modernization [9] Even Soviet historians, writing in a Marxist tradition, such as S F Levin in his recent *Formation of Pakistan Bourgeoisie* recognize the extent to which the traditional attitudes and forms of organization of the trading groups have facilitated their economic success [10]

[4]Burton Benedict Family Firms and Economic Development *Southwestern Journal of Anthropology* I (Spring 1968) pp 1-19 G C Aggarwal Caste in a Mobile Community *Sociological Bulletin* IV (September 1955) pp 138 145

[5]Edward Banfield *The Moral Basis of a Backward Society* (Chicago 1958)

[6]A Cohen *op cit* Chapter I

[7]*Ibid*

[8]Lloyd and Suzanne Rudolph *The Modernity of Tradition* (Chicago 1966), W Morris-Jones *The Government and Politics of India* (London 1971)

[9]David Apter *Politics of Modernization* (Chicago 1965)

[10]S F Levin *Formirovanie Burzhuazia Pakistana* (Moscow 1970)

The Theoretical Background

The Theory of Entrepreneurship

Marwari success in business, and the later entry into industry, are matters intimately involved with the theory of entrepreneurship—a theory of various provenance and considerable elaboration and the object of considerable confusion

Definition

The concept of the entrepreneur has been undoubtedly the cause of much confusion in contemporary social thought, and particularly in the writing of social history The concept itself is a result of several different stages of definition imperfectly differentiated from one another First, both chronologically and logically, the entrepreneur performs a series of roles (in the Parsonian sense) in relation to the firm or enterprise then in relation to the development of technology, next in the process of economic development and finally in relation to social evolution as a whole

Undertaker versus Creative Entrepreneur

The first published reference to entrepreneurs in 1723 focussed on the fact that entrepreneurs buy goods (or factors of production) here and now at a fixed price, to sell them later and elsewhere at an uncertain price They hire and combine factors of production they bear risk This definition was elaborated by Jean Baptiste Say, and is the definition which this volume uses The element of risk no longer applies to the entrepreneur in the modern environment who often as not uses other people s money in his adventures—but he still hires and combines the various productive factors [11] In relation to technology the entrepreneur innovates He attempts to apply advances in human knowledge for economic purposes He may, like Hall in aluminium and Watt with the steam engine also be the inventor of the advance he exploits but more often he enters industry by other routes Some commentators feel that this element of technical innovation is the *sine qua non* for the sort of entrepreneurship they think significant Yusuf Sayegh in his survey of Lebanese entrepreneurs, specifically excludes those founders of enter prises who do not represent new departures in their respective fields—

[11] Fritz Redlich The Origin of the Concept of Entrepreneur and Creative Entrepreneur *JEH* (First Series) I (January 1949) pp 1 7

who are not innovators in a technical sense [1] On the other hand, every new enterprise involves a degree of adjustment of novelty A new technology, or a new sales approach may simply be a new content in an old entrepreneurial role [13] Thus, differentiating between innovating entrepreneurs is almost impossible, particularly in those countries not among the first to industrialize where the entrepreneurial act typically involves the introduction of an economic activity already familiar elsewhere

Peter Marris describes entrepreneurship as he saw it in Kenya

> It is not the ability to run a business invent techniques, persuade customers to buy, not the ability to forecast and profit by economic trends [14]

It is

> an ability to assemble or reassemble from what is available to one a new kind of activity, to reinterpret the meaning of things and to fit them together in new ways In the African countryside, an innovation may not seem, at the outset very remarkable—a wholesale business a restaurant at a crossroad the owner must have seen what others had missed—an unsatisfied demand, a way of raising money [1]

Looked at in this way, it is questionable whether technical innovation is to be expected in the first stages of Indian industry As a matter of fact there were apparently some innovations in the early Tata mills in Bombay but these were rather an exception [16]

Joseph Schumpeter s formulation of the theory of entrepreneurship is in part related to technology, though it attempts to subsume many of the rest of the extent definitions of entrepreneurship within itself

[12] Yusef Sayegh *Entrepreneurs of Lebanon The Role of a Business Leader in a Developing Country* (Cambridge Mass 1962) p 24

[13] Alexander Gerschenkron The Modernization of Entrepreneurship (hereinafter referred to as Modernization) in Myron Weiner (ed) *Modernization* (N Y 1966) p 249

[14] Peter Marris The Social Barriers to African Entrepreneurship *Journal of Development Societies* (October 1968) p 31

[15] *Ibid* , pp 31-32

[16] Frank Harris *Jamsetji Nusserwanji Tata A Chronicle of His Life* (Bombay, 1958) pp 30-31

As Schumpeter says, The carrying out of new combinations of produc tive factors we call enterprise the individuals whose function it is to carry them out we call entrepreneur [17] These new combinations—innovations—and capital, largely in the form of credit, are the elements of economic development in Schumpeter s framework As a result of the heroic tones in Schumpeter s presentation the role of entrepreneurship in the literature has taken on all sorts of normative connotations which often militate against its use in analysis One commentator sug gested that Schumpeter a Viennese aristocrat, could only reconcile himself to the prosaic realities of capitalist economic development if they could be framed in terms of his heroic aristocratic ethos [18]

What this volume deals with is not so much technical innovation as the successful establishment and management of new businesses a pheno menon which is the essence of capitalist economic development So if for entrepreneur the reader would prefer to use promoter, 'undertaker or even businessman he may well do so That is not to say that the secret of business success may not be technical or commercial innova tion We shall see this in the organization of a new Indian jute market ing association, the establishment of Indian owned jute presses and mills and the establishment of direct connections with Japanese shippers in the cloth trade But business success can also be due to originally superior resources and trading institutions

In economic development of any sort entrepreneurs are by defini-tion the catalytic element that which contributes nothing directly to the final product but whose presence permits the other ingredients to combine The question posed and not conclusively answered in this regard is whether they are a critically short ingredient or one that appears whenever all other elements are present In Schumpeter s theory where the appearance of several innovators and their swarm of followers leads to the rise of the business cycle, and the spending of their drives to its fall entrepreneurs are critical In Weber and those influenced by him, special ideological or psychological developments are prerequisite to their emergence That emergence, in turn permits economic develop ment Thus entrepreneurs are critical in this sort of theory too Marx ists and economic determinists see entrepreneurs as a normal by

[17] Joseph Schumpeter *The Theory of Economic Development* (Cambridge Mass 1949) p 74

[18] Lecture of A Gerschenkron (Fall 1966)

product of the process of development and incidental rather than critical to that development[19]

In relation to his firm technology and the economy the entrepreneur is mostly subject, the forming actor, the final cause of Aristotelian logic In relation to society he has a dual role On the one hand, he is an object, conditioned and selected by social forces on the other, he is the harbinger of social change On the first count we are interested in the entrepreneur s recruitment and socialization into his new role on the second, those social changes which he now supports

Old Style versus New Style

In society entrepreneurs are players of creative and allegedly new roles In the 'ideal type of traditional society each man performed his allotted duties in the same spirit and manner as his forefathers Now a new role emerges whose duty it is to innovate, to create new enterprises and to perform new economic functions—that is to differ with one s forefathers

The traditional businessman narrowly emphasized as the Japanese proverb tells us— thrift calculation, and business talent '[20] Modern and especially industrial entrepreneurs are held to be clearly differentiated from old style traditional businessmen Redlich calls them creative entrepreneurs" and identifies them with Schumpeter s ideal type We do not have to insist on Schumpeter s exacting standards, but simply that these entrepreneurs activity include large scale manufacturing transport and commerce—using the organization and mechanical contrivances which are associated with other modern industrial societies

First the modern entrepreneur s time horizon is supposed to be long range[21] They plan rationally for a long period in the future Traditional merchants are interested in a quick speculative profit Richard Fox tells of his small town merchants in eastern Uttar Pradesh (U P), who are continually geared for a market corner, but totally unprepared for sustained marketing or manufacturing Clifford Geertz describes

[19]Louis Althusser *For Marx* (London 1970) p 105 for the differentiation of Marxists from economic determinists Sayre P Schatz The Role of Capital Accumulation in Economic Development *Journal of Developing Societies* V (October 1968) pp 39-43

[20]Johannes Hirschmeier *The Origins of Entrepreneurship in Meiji Japan* (Cambridge Mass 1964) p 23

[21]Gerschenkron The Modernization pp 247 248

similar merchants in Modjukoto, Indonesia R S Rungta judges that Calcutta Marwaris did not enter industry in a large way in nineteenth century Calcutta, *inter alia*, because they lacked the patience to wait for the earnings of industrial enterprises [23] In a study of Indian economic development Rangnekar alleges the entire Indian business community to be deficient in long range perspective [24]

Second, entrepreneurship (pace Schumpeter[25]) becomes a specialized career for one s lifetime [26] People secure specialized training for it and establish regular relationships with other entrepreneurs, especially when they have entered the manufacturing industry and need regularly to dispose of their product In order to sustain these regular commitments the level of commercial morality must improve, so participants in the market can rely on one another In this as in some other points we have echoes of Weber s insistence on a rational legal outlook and organization to cope with problems of large scale production One characteristic of this would be the provision of regular, trustworthy, institutionalized impersonal roles for the transaction of needed functions

The traditional merchant limited his education to that required by his book keeping the modern businessman is continuously educating and re educating himself [27]

Others would emphasize the greater rationality of the new style entrepreneurs in other respects—their use of the impersonal market mechanism their choice of business connections on the basis of achievement rather than ascriptive criteria or their use of scientific method [28]

In anticipation, one of the major theses of this study is that the dichotomy between traditional and modern enterprise is very difficult to draw at least in India and in the case of the Marwaris As a whole group of recent studies suggest traditional caste values institutions and attitudes may be easily adaptable to modern purposes

[2] Richard Fox *From Zamindar to Ballot Box* (Ithaca N Y 1969) pp 150 151 Clifford Geertz *Peddlars and Princes* (Chicago 1963) pp 7 81
[23]R S Rungta *op cit* pp 166 167
[24]D K Rangneker *Poverty and Capital Development in India* (London 1955) pp 123 125
[2] Schumpeter *op cit* p 75
[6]Gerschenkron The Modernization *op cit* p 248
[27]Hirschmeier *op cit* p 23
[28]Gerschenkron The Modernization *op cit*

Recruitment to the Entrepreneurial Role

One of the most important sub issues in the field of entrepreneurial studies is that of recruitment (to use Parsonian terminology) to entrepreneurial roles Why some people in a society become entrepreneurs, and others do not, is inextricably interrelated with the whole question of ideological factors in providing entrepreneurs to society Alec Alexander notes that some approaches emphasize the roles of groups which have been endowed by the social system with capital, managerial talent and market intelligence [9] Among these merchants seem pre eminent not surprising in view of the fact that they normally possess at least some capital their closeness to the market probably contributes to the reduction of uncertainty, at least on the demand side and they possess some business skills although they are only of a particular kind Most important is the fact that merchants are already entrepreneurs sensitive to market incentives and used to taking risks

This selection of merchants goes contrary to traditional thinking about merchants treated earlier This is best epitomized by Bert Hoselitz in a piece where he hypothesizes that bureaucrats because of their long time horizons rather than merchants will be the industrial entrepreneurs of the now developing world [30] It also contradicts Geertz s suggestion that in Indonesia the *priyayi* (roughly an aristocratic administrative class) and the feudal nobility of Bali have greater capacity for large scale commercial and industrial organization gained through their governmental experience than the prosperous Santri traders [31]

But everywhere there seems evidence that merchant groups have successfully become industrial entrepreneurs

> The transformation of mercantile capital into industrial capital—a process which Pirenne Mantoux and others have described—seems not to have been confined to the early stirrings of industrial organization in Europe [3]

Elsewhere occupational roles have been seen as predisposing to industrial entrepreneurship Ray Owens in a recent study of small engineering shops near Calcutta shows the relevance of technical backgrounds as skilled craftsmen in determining who the successful firm founders

[29]Alexander *op cit*
[30]Hoselitz *op cit*
[31]Geertz *op cit*
[3] Glade *op cit* p 12

were[33] Geertz in his *Peddlers and Princes* shows the role of displaced Balinese princes, as we just noted above in lines requiring large scale organizational skill and capital a role which many ex princes in India today have also attempted to fill[34]

Another approach most recently expressed in the works of David McClelland and collaborators looks to the psychological characteristics of successful businessmen or n achievement in their terminology[35] They noted the correlation between a certain type of psychological motivation measurable by psychological testing and business success At first the direction of causation might have been in doubt—but programs that increased the n achievement level of participants were also effective in increasing their new enterprise initiation That is the difference between various groups put through a course to increase their n achievement and comparable control groups are held to be significant[36] The structural variable was avoided by dealing only with those demonstrably in a position to make entrepreneurial decisions It is not clear however when one reads the accounts of their course and follow up methods that their efforts are any different in effect from the nationalist movement we shall deal with in the Marwari case or from certain kinds of management education McClelland may simply have

[33]Raymond Owens Mahishya Entrepreneurs in Howrah West Bengal in *Bengal Change and Continuity* Robert and Mary Jane Beech (eds) (East Lansing Michigan 1971) pp 87 117 V I Pavlov —*Formirovanie Indiiskoi Burzhuazii* (Moscow 1958) pp 262 279 as amplified by L I Reisner and G K Shirokov *Sovremennaya Indiiskaya Burzhuaziya* (Moscow 1966) p 10—sees considerable producer origin entrepreneurship in late nineteenth century Bengal and Maharashtra and connects this (pp 263-293) with the rise of the terrorist movement in both places after the turn of the century Thus Soviets see terrorism as a characteristic petit bourgeois phenomenon Other continuations of this small craft entrepreneurship are seen as existing alongside that of the great financial-commercial bourgeoisie

[34]Geertz *op cit* especially pp 82 110

[35]David McClelland *op cit* and with David Winter *et al* *Motivating Economic Achievement* (New York 1969) Economists have been particularly critical of the association of n achievement and overall economic growth See Sayre P Schatz Achievement and Economic Growth A Critique *Quarterly Journal of Economics* LXXIX (May 1955) pp 234 247 George Katona review in *American Economic Review* LII (June 1962) pp 582 583 Fritz Redlich Economic Development Entrepreneurship and Psychologism A Social Scientist s Critique of McClelland s Achieving Society *EEH* (Second Series) I (Fall 1963) pp 10 35

[36]McClelland *Motivating Economic Achievement*

mode da placebo industrializing ideology albeit one like many placebos that may be therapeutically useful

Ashish Nandy did some interesting applications of the "n achievement" approach to groups of entrepreneurs in the Howrah small-scale engineering industry where as Kay Owens describes it a community of skilled artisans the Mahishya have been taking over the industry[37] The Mahishya originally a middle ranking cultivating caste has constituted in itself the bulk of the skilled labor force in that industry Latterly, they have moved to take over ownership of many units in the industry The remaining units are owned by members of the traditionally elite castes of Calcutta Successful Mahishya businessmen did not show particularly high "n achievement" (on psychological tests) Successful non Mahishya did show higher scores than various control groups Tentatively, as Nandy suggests, perhaps the entry of Mahishya entrepreneurs depended on factors like their connections within the caste or access to capital On the other hand elite caste entrepreneurs had to break with anti-commercial community ethics, but were likely to have relatively easy access to capital and possibly general market and technological intelligence

The precise level of "n achievement" among Marwaris has not been measured Even if we assume this level to be very high we must go further and connect the level with variant conditions in child rearing which theorists like McClelland suggest is their subjects motivation A suggestion of such a point is made by Hanna Papanek when talking about another migrant merchant group She quotes McClelland to the effect that in the Indian context the requirements for a successful entrepreneurial personality include autonomy and personal responsibility These are supposed best to be fostered by a mother less indulgent than the average and a father who is *physically absent or relatively uninvolved in the upbringing of his son*[38]

What McClelland proposes is in turn based on several empirical studies he cites[39] The fathers in migrant homes often remain away for

[37]Owens *op cit* Ashish Nandy Interview in Delhi Spring 1971

[38]Hanna Papanek Memoirs pp 33 34 referring to McClelland and Winters *op cit* footnote 31 p 307

[39]Papanek Memoirs referring to Roger V Burton and John M Whiting The Absent Father and Cross-sex Identity, *Merrill Palmer Quarterly of Behavior and Development* VII (Spring 1969) pp 85 95 and Bernard C Rosen and Roy D Andrade The Psychosocial Origins of Achievement Motivation *Sociometry* XXII (September 1959) pp 183-218

long periods Hanna Papanek suggests that mothers among the Memons may be relatively less indulgent than some of their neighbors Detailed studies here too might show variant child rearing practices say between Marwari Banias and those from U P, but until such studies are conducted we must suspend judgment The numerous Marwari non Marwari Aggarwal marriages in recent years have not indicated any strains on this score as one would expect if there were real differences in child rearing techniques

In more general terms Weber suggests that certain attitudes summed up as rationality and connected with planning, differentiate entrepreneurs from their compatriots This Protestant Ethic includes the positive value of hard work, science and technology coupled with this wordly eschatology [40] Many theorists contend this ethic must characterize not only the entrepreneurial group but developing societies as a whole [41] The more extreme proponents of this position argue that some such ideology has accompanied every considerable development [42] To what extent this generalization is true or Weber s specific deductions from it that certain groups like Calvinist Protestants are peculiarly suited for entrepreneurial roles is a subject of hot debate Marxists and others like Tawney point to the social structural factors that determined entrepreneurship in post Reformation Europe Tawney argues that capitalism caused the present day form of Protestantism rather than vice versa [43]

Another syndrome of proposed differentiating factors for entrepreneurs centres around the concept of marginality Here it is alleged that marginal groups are more likely to innovate because they are exempt from some of the sanctions of society against deviance Further avenues to social advancement other than the commercial are often closed to them From the point of view of the structural approach which I treat later I should note that marginal groups of outsiders are especially likely to have developed among themselves a strong community articulation—an articulation whose institutions can easily be adapted to trading

[40] *James Dator* Th *Protestant Ethic in Japan* *Journal of Developing Areas* (October 1966) p 25

[41] *Ibid* pp 23 40

[42] *Ibid*

[43] R H Tawney *Reli ion and the Rise of Capitalism* (N Y 1926) Kurt Samuelson *Reli ion and the Economic Order* (N Y 1961) Herbert Luethy Once Again Capitalism and Calvinism *En ounter* XXII (January 1964) pp 26 83

I remember being struck by the tight organization of the Jewish community of Calcutta a level of organization which was apparently once characteristic of Iraqi Jewish trading outposts from Shanghai to Baghdad The community provided every member sacramental wine from its winepress bread from its bakery chicken from its slaughterhouse, education from its schools—and even paid employment in its service when none other was to be had The level of ritual observance was correspondingly high and community identity correspondingly close This description could easily be repeated, *inter alia*, for the Armenian and Parsee communities in Calcutta In Antwerp the diamond trade is build on a vast unsecured credit network The Jewish community of Antwerp is the tightest and most orthodox in Western Europe and dominates that trade Observers have speculated that this is because orthodoxy is the symbol and substance of the community affiliation and this underlies creditworthiness in that unsecured credit system *

In a recent discussion of the Old Believers Russian religious heretics who formed a considerable part of the Russian entrepreneurial cadre before 1917, Alexander Gerschenkron discounts the thesis of the Protestant Ethic [41] The success of the Old Believers was not achieved because of a differential value system from that of the Orthodox or by a more rational ethos Gerschenkron says the Old Believers success was achieved by utilizing their connections with other Old Believers communities in the southern part of the country As Miliukov put it, the Old Believers broad association in trade and industry was based on absolute mutual confidence and on severe moral discipline [42] Gerschenkron opts for a pariah explanation of the Old Believers economic success Their persecution by the state he feels, created their group consciousness and a sense of moral superiority which manifested itself in various commercially useful virtues At the same time, the persecution created a need to accumulate money to defend themselves against the state s oppression—and foreclosed any accumulation through service to the state

Everett Hagen poses a specific sort of psychic marginality as the cause

*Thomas A Timberg 'The Jews of Calcutta Fragment of a Diaspora and Citizens of a Metropolis An Interpretative and Bibliographical Essay *Bengal Past and Present* XCIII Part 1 (Jan April 1974) pp 7-22

[41]Alexander Gerschenkron *Europe in the Russian Mirror* (Cambridge Mass 1970) pp 1-47

[42]*Ibid* p 19 refers to P N Miliukov *Ocherki po Istorii Russkoy Kultury* (Paris 1931) p 81

of modern entrepreneurship A group experiences status withdrawal have high expectations of regaining that status implanted in them by the child rearing process But this theory

> defies any empirical testing which would require within the meaning of the theory psychoanalyzing huge samples of dead men who are unable to tell their tales on an analyst s couch All we can say is that by looking at the treatment of infants and very young children in a number of countries that had gone through very successful periods of industrialization and produced considerable entrepreneurial figures [such as Germany and Sweden before World War I] it is very difficult to discover any striking progress in this respect [46]

It is particularly in studies of the now developing world that we find an important element in explaining entrepreneurial success, particularly in large scale industrial enterprise As Geertz asserts of Indonesia the major innovations and innovational problems the entrepreneurs face are organizational rather than technical [47] The Soviet scholar Simoniya in his study of the Chinese of South Asia asserts

> the rigid [strong] organization of the Chinese bourgeoisie played a very important part in the consolidation of its position in domestic trade [48]

The entire direction is summed up in an article of Robert Bellah where he says One of the most serious of these limitations of Weber is emphasis on the importance of the motivational factor at the expense of the historical and institutional setting [49]

In particular it would seem that the possession of a matrix for commercial inter action a network of contacts adapted to commerce is a major qualification for business success From his network a businessman can get the capital intelligence collaboration and personal accommodation which he needs to be successful But net work is not an

[46]Gerschenkron Modernization p 254

[4] Geertz *op cit* p 151

[48]N A Simoniya *O erseas Chinese in S utheast Asia—A Russian Stuay* (Ithaca N Y 1961) p 43

[49]R Bellah Reflections on the Protestant Ethic Analogy in Asia S N Eisenstaedt (ed) *The Protestant Ethic and Moderni ation A Comparati e View* (N Y 1968) pp 243 251

appropriate term Network has a narrowly defined meaning in socio logical terminology It is in particular, an unbounded structure K N Sharma of Kanpur suggests in a recent article that what is involved here is a resource group, and that the relations within it are primarily instrumental—in this case to economic success or perhaps more generally to the businessman s way of life —though occasionally supported by expressive tendencies [50] As we shall see in our treatment of Marwari evolution the existence of such a resource group, and its particular characteristics were a major advantage for the Marwaris Some of the relations of the group are institutionalized hostels to accom modate migrants, credit facilities, forms of commercial arbitration—*and these institutions of mutual support* in the words of the Soviet scholar, S F Levin, were readily transformed to suit the purposes of an industrializing bourgeoisie [1]

Other factors favored businessmen in becoming industrialists in India For one thing the entrepreneur in India had to secure the capital for his industrial venture Industrial entrepreneurs were thus people with large accumulated capitals or access to its surrogate, credit [5] Tra ders had access to credit and capital The traders accumulated capital in their commercial transactions Credit was as usual the *sine qua non* of a trading system The port merchant disposed of his imports by supplying them on three or six month credit to his correspondent up-country The merchant acquired cotton and jute from the farmer by advancing him credit for the crop season

The genius of a trading community lies in its manipulation of credit With this genius for credit acquisition, it is no wonder that trading communities managed to acquire the capital resources which have ena bled them to play a dominant role in the industrial development of India

The second task of the Indian industrial entrepreneur is to secure raw materials and markets for the finished products of industry Traders exporting Indian raw materials and importing manufactured goods

[50] K N Sharma Resource Networks and Resource Groups in the Social Structure *Eastern Anthropologist* XXII (January April 1969) pp 13-27

[51] See Note 8 Chapter I

[5] Capital is the sum of exchangeable values which serves as the basis for capitalist enterprise It may be money or credit it may be commodities Frederick Nussbaum *A History of the Economic Institutions of Modern Europe An Introduction to Der Moderne Kapitalismus of Werner Sombart* (N Y 1933) p 294

already had secured both the raw materials and the markets Industrial entrepreneurship also entails a high degree of risk and the possession of certain commercial skills such as the ability to keep books Traders are used to the former and usually have the latter It is hardly surprising therefore, that industrial entrepreneurs in India turn out by and large to be traders

Applications to India

For this volume it is necessary to relate this general theory of entre preneurship to the specifics of Indian economic life The first to attempt this was Max Weber himself He presented two etiologies for Indian entrepreneurs the first emphasizes the Indian entrepreneurs pariah aspect and the second is an analogy with the theory of the Protestant Ethic and its connected rationality

Traders as Pariah Weber refers to one subtype of the entrepreneur as a pariah entrepreneur a subset of the marginality argument re ferred to earlier He says

> In our usage, pariah people denotes a distinctive hereditary social group lacking autonomous political organization and characterized by prohibitions against commensality and intermarriage originally founded upon magical tabooistic and ritual injunctions Two addi tional traits of a pariah people are political and social disprivilege and a far reaching distinctiveness in economic function [53]

Weber suggests that many of the leading communities in India originated as pariahs and cites as evidence their present status in Bengal [54] He states

> The traders themselves in their ritual seclusion remained in the shackles of the typical oriental merchant class which by itself has never created a modern capitalist organization of labor This situation is as if none but different guest peoples like the Jews ritually exclusive toward one another and toward third parties, were to follow their trades in one economic area Some of the great Hinduist merchant

[53]Max Weber *The Sociology of Religion* (Boston 1962) pp 108 109

[54]Max Weber *The Religion of India* translated by Hans Gerth and Don Martindale (N Y 1958) pp 13 14 86 and 91

castes, particularly, for instance, the Vania, have been called the 'Jews of India' and in this negative sense rightly so

Richard Fox in a recent article on a group of Indian traders in Eastern U P takes up the pariah argument again He states

> Throughout much of the world social, religious or ethnic distinctions often separate the merchant community from the surrounding society In predominantly pre industrial economies, the taking of profit is considered socially illegal Profit signifies the introduction of economic rationality into a system which is based on the rationale of kinship and family Whatever group undertakes business and the making of profit also accepts social ostracism and develops over time social traits which allow it to withstand the slings and arrows of its non commercial neighbors [and victims], as well as traits which maximize the production of profit which is so socially disreputable [6]

Fox studied a merchant group like those in Bengal which has a low social status, and has not, in fact been very successful in large scale operations One wonders whether this group's experience can be extended to those commercial communities which have been successful on a large scale

The description by Weber of a pariah people as a distinctive hereditary social group and as having 'distinctiveness in economic function was generally characteristic of all Indian castes and communities It thus hardly differentiates entrepreneurial groups from the others In this sense India may be considered a continent of pariah peoples

It is however, the element of 'political and social disprivilege on which the popular and many scholarly uses of the term 'pariah hang Indian merchant groups, though not specialized in government service, often dominated the civil side of the administration in the princely states, which were their home [57] The same combination of a separated group of traders holding important ministerial posts might have been noted in the case of the Jews in certain of the Muslim states in the East at one time—but there they were certainly disprivileged in other

[55] *Ibid* p 112

[56] Fox Family Caste and Commerce in a North Indian Market Town *Economic Development and Cultural Change* XV (April 1967) pp 313 314

[57] S Bhandari *Aggarwal Jati Ka Itihas* (Bhanpura Indore 1934) and Bal chand Modi *Desh Ka Itihas mee Marwari Jati ka Sthaan* (Calcutta 1939)

epochs It would seem difficult to argue that Rajasthani Marwari traders were any more disprivileged than any other non ruling group

Weber Theory Number Two

Of the literature on new style, large industrial entrepreneurship no one book has been quite as seminal as Max Weber s *Protestant Ethic and the Rise of Capitalism* in which he argued that Protestant Calvinism had been immediately instrumental in creating the ideas that in turn, created modern European commerce and industry [58] He immediately followed this work with several on the different great religious traditions among which is his Religion of India to determine how functional these religious traditions were for economic development [59] In a famous review article Milton Singer attacks him for his conclusion

> Weber s thesis is that Asian religions are so otherworldly and irrational when their psychological consequences are traced as not to yield a rational this worldly secular ethic of the kind required in his opinion to originate industrial capitalism [60]

Weber is not alone here the stagnant irrational Hindu seems almost to be a cliche among social scientists At the most moderate Vikas Mishra suggests that however functional the values of Hinduism may have been for trade they were dysfunctional in an industrial environment where the new style entrepreneurs were obviously required [61] As M S Gore states in his Columbia doctoral thesis

> Negatively the Bania can be characterized by his lack of interest and skill as a producer In terms of modern economic activity, his traditional orientation equipped him to become a banker a speculator in the stock market, sometimes a financier but until recently not an industrial entrepreneur [6]

[8]Max Weber *The Protestant Ethic and the Spirit of Capitalism* translated by Talcott Parsons (N Y 1948)

[59]Max Weber *The Religion of India* translated by Hans Gerth and Don Martindale (N Y 1958)

[60]Milton Singer review of *Religion of India by* Max Weber translated by Hans Gerth and Don Martindale *American Anthropologist* LXII (1961) p 144

[61]Vikas Mishra *Hinduism and Economic Growth* (Bombay 1962) K W Kapp *Hindu Culture Economic Development and Economic Planning in India* (N Y 1963)

[6] M S Gore The Impact of Industrialization and Urbanization on

This anti industrial frame of mind presumably applies itself to industry on many levels in the attitudes of workmen in the conservatism of those with money to invest, in the efficiency of managers, but most critically in the willingness to undertake new entrepreneurial roles

The existence of the Marwaris, as large and successful commercial entrepreneurial groups within Hinduism, is an immediate challenge to the whole theory of Hindu unsuitability for entrepreneurship Weber was the first to face this challenge, and he set the tone which much of the ensuing discussion followed

Weber noted that the highly successful Gujerati and Marwari Banias adhered largely to Jainism or the Vallabhacharya sect of Vaishnavism He argued that the difference between the doctrines of these sects and those of normative Hinduism explains their adherents economic success Weber argued that inner worldly asceticism" determined the success of the Jains The compulsory saving of asceticism familiar from the economic history of Puritanism worked also among them, the Jains, toward the use of accumulated possessions, as investment capital rather than as a fund for consumption or rent [63] For the Jains Weber argued that the prescription against all occupations which in volved them in the destruction of life (animal or vegetable) barred them from all agricultural and industrial occupations and limited them to commerce Prohibitions against excessive travel, according to Weber limited them to the more sedentary modes of trade i e, banking and moneylending Their belief in honesty and right dealing with their fellowmen gave them a high reputation for honesty

As for the Vallabhacharya Vaishnavas—

> The sect founded at the beginning of the sixteenth century by the Brahmin Vallabha the Vallabhachari or Maharadecha or Rudra Samperadaya is still today, at least in point of gravity a merchant and banker sect primarily found in Northwest India but diffused over the entire land [64]

the Aggarwal Family in the Delhi Area (unpublished Ph D Thesis Columbia University 1961) p 112 later published under title *Urbanization and Social Change* (Bombay 1968) especially p 152

[63]Weber *op cit*, pp 199 201 315

[64]*Ibid* p 315

The sect s doctrine of salvation was in no way especially conducive to commercial morality or Puritan style entrepreneurship But the sect did have a complex network of relations between groups and centres, and discipleship required extensive travelling, both of which were factors congenial for trading groups Traders could combine business journeys with religious pilgrimages, and be confident wherever they went of being accepted by a body of co-sectarians

But the major explanation of the success of these Vaishnava merchants is allegedly in another direction Already successful merchants found the mildly hedonistic sect to their liking—

> the plutocracy—the richest hinduistic trader castes, above all the Baniya—was able in such terms to find a taste for the service of God An extraordinarily large number of them belonged to this somewhat socially exclusive sect [65]

In the case of the Jains, the presence of a quasi Puritan ethic explained successful entrepreneurial activity In that of the Vaishnavas, its absence was compensated for by certain social arrangements congenial to traders and trade

At first glance this explanation of Weber s seems to be the key to the phenomenon we study All of the Gujerati and most of the Marwari Banias are either Jains or Vaishnavas (in some sense of that vague term) The Vaishnavas, especially among the Bhatias and Maheshwaris, were often Vallabhacharis [66] But in the first place, even by 1910 1915, the period of Weber s work, despite his prescription that they could not enter industry—Jains owned half the textile mills in Ahmedabad [67] In the case of Marwari Jain Oswals in particular, this prescription has occasionally been used to explain their relative absence as industrialists Yet one major textile industrial house of these Oswals run by various descendants of Nandlal Bhandari in Indore, emerged as early as 192. There is no indication that the family suffered any social ostracisation

[65] *Ibid*

[66] P W Powlett *Ga etteer of Bikaner State* (Calcutta 1974) pp 89 90 refers to the prevalence of Vallabhachari Vaishnavism among Maheshwaris in Bikaner This is echoed in the firm histories of several Bikaner firms which I studied W Crooke *Tribes and Castes of the North Western Provinces and Oudh* (Calcutta 1896) p 408 also notes that the Maheshwaris were Vallabhacharis

[67] K L Gillion *Ahmedabad A Study in Urban History* (Berkeley Calif 1969) pp 22 87

because of this act of innovation

There is, however, some indication of limitations on Jain Oswals of the Terapanthi subsect (see Calcutta section in Appendix A) because of their spiritual leaders strong discipline and their insistence that women and children remain at home in Rajasthan Other Jain castes are far more cavalier about strictures against industry One of the great early industrializers was Sir Sarupchand Hukumchand a Khandelwal Jain, the court banker in Indore, originally from Northern Jodhpur These facts should raise questions about the binding force of religious prescriptions in the case of the Jains

Further, though Weber argues that the two separate commercial ideologies operated differently the observed behavior of Indian merchants did not seem to vary much among the various creeds Gillion in his history of Ahmedabad notes

> Just as rapid economic growth has taken place in many societies that are not Protestant so the Jains are not the only businessmen in Gujerat It is just as likely that they were influenced by the general environment favorable to business enterprise as the Parsees were by the same environment In the Karnatak the Jains are largely illiterate agriculturists
>
> In the overall industrialization of Ahmedabad, the Jains were no more and no less important than their Vaishnava fellow Vanias The ethic of the Jains was the ethics of all Vanias, and indeed [in a less rigorous form] of many other Gujeratis [48]

Behaviorally observers report little difference between Jains and Vaishnavas British caste studies note the existence of religious cleavage within Bania castes but not ensuing differences in social or commercial practice The differences of any sort were slight and did not usually extend to restricted intermarriage or commensality, between those of the same caste (except among the Khandelwals) As W Crooke assures us

> In the West of India they [the Jains] appear to show a desire not as in the case of these Provinces to emphasize the distinction of their religion from Brahminism with which they have in some places come in conflict by their custom of parading the images of their deities

[48]Gillion op cit

through the towns at certain festivals But as has been elsewhere observed, the demarcation between the two faiths does not constitute a bar to intermarriage [69]

Another writer argues

> Jainism is itself as otherworldly as Hinduism The successful activities of the Jains were at variance with the essence of their faith [70]

He concludes that the variance is either caused by the reinterpretation of the faith or because

> The behavior of businessmen throughout the world justifies the impression that their business ethics and values do not necessarily conform to their personal ethics or religious values [71]

Hanna Papanek suggests some of the possibilities for accommodation between abstract religious values and economic imperatives, in her study of the Memons,a trading group of Muslims in India and Pakistan [72] Half of the Memons she interviewed denied religion had anything to do with their businesses The other half said religion reinforced their commercial virtues

> Very few of them spoke about any Koranic limitation on usury or interest although a few mentioned that they would not give personal loans with interest for religious reasons A large number exclaimed—
> Was not the Prophet himself a trader? And should this not be an example and inspiration to us? '[73]

She notes that businessmen either adjust to the fact of interest or do not become businessmen

In the traditions of the business communities, and in the belief

[69] W Crooke *North Western Provinces of India* (London 1887) p 235
[70] Dwijendra Tripathi Indian Entrepreneurship in Historical Perspective A Reinterpretation *Economic and Political Weekly* VI (May 29 1971) *Review of Management* p M 60
[71] Tripathi *op cit*
[72] H Papanek Memons pp 51 55
[73] *Ibid* pp 53

systems of individual businessmen, accomodations have been worked out, through redefinitions and changing emphases with such presumably incapacitating religious injunctions as the Koranic one against usury[74]

Conclusion

> In a civilization there is a great tradition of the reflective few, and there is a little tradition of the largely unreflective many The great tradition is cultivated in the schools and temples the little tradition works itself out and keeps itself going in the lives of the unlettered in the village communities[75]

The thrust of this thesis centres on the 'little tradition of the trading castes as enshrined in institutions, attitudes, resource groups, and skills which these groups have developed in the pursuit of trade

Sombart says that a good merchant requires 'an ability to organize, calculate and to speculate '[76] The earliest European travellers noted the rigorous training all the trading communities gave their children in business methods the extreme frugality of their living standard, and their willingness to bear risks[77]

The *organization* of credit produced networks of contacts, resource groups all over the country which could be used for the selling and purchasing of the goods traded in the ports Foreign firms naturally found themselves dependent on merchants with such networks In the words of one Soviet observer

> In the rural economy of colonial India, such a system was based on the financial and commercial organization of the trading and money lending castes whose members formed a complicated hierarchy starting from the petty village trader and moneylender up to the big city merchant and banker The castes were firmly held together by credit arrangements that had developed between caste members The trading and moneylending groups constituting the Marwari

[74] *Ibid* p 53

[75] Robert Redfield *Peasant Society and Culture* (Chicago 1956) p 70

[76] Werner Sombart as cited by F C Lane and J D Riemersma *Enterprise and Secular Change* (London 1953) p 29

[77] J B Tavernier *Travels in India* translated by J Ball Second Edition (London 1925) Vol II, pp 143-144

> community were best suited to meet the needs of British capital not only because they formed the largest organization of traders and moneylenders—apart from the Gujerati Banias—but also because the Marwari bankers were already established in almost every town in North India [8]

On the other hand

> The British traders poor knowledge of the northwestern parts of India the absence of a network of agents and the competition of the natives accounted for the weak representation of British merchant capital in these regions [79]

This organizational superiority expressed itself peculiarly in mastery over credit, which was a scarce factor in Indian industrialization The same resource groups gave Marwari merchants superiority in commercial intelligence, often to the chagrin of the British with all their modern apparatus After the Marwaris successful weathering of the Gold Boom and Panic in the early 1890 s a Calcutta journal of the English business community noted

> The calculations of the wisest are frequently upset and in this as in former instances the Marwari has proved one too many for the general public It is difficult to ascertain the sources whence he derives his information, but that it is correct in nine cases out of ten and that he has it before anyone else is a fact which cannot be contradicted [80]

Other institutional details besides those of commercial practice and the possession of a commercially oriented resource group may be important For example, the Marwaris, as compared to their Bengali competitors have an inheritance law that is alleged to favor the maintenance of joint family property [81]

[78] V I Pavlov Ocherk Deyatel nosti Torgovstev i Rostovshchikov v Kolonialnoi Indii *Uchenye Zapiski Instituta Vostokovedenya* XII (Moscow 1955) pp 143-148

[79] *Ibid* p 139

[80] R S Rungta *op cit* p 199 cites the *Englishman* (Calcutta) of late August 1891

[81] Sir William Markby and A Savonadiere Indian Law *Encyclopedia Britannica* 13th ed Vol XII pp 230 238 especially pp 231 232 The Marwaris follow the *Mitakshara* rather than the *Dayabhaga* school of law The Bengalis follow the *Dayabhaga* school The essential difference is that

Calculation is another avatar of Weber's rationality, of scientific planning for the future What distinguishes the commercial and industrial entrepreneur from other 'rational social actors is the root value, at least in a capitalist system, to which his rationality is subservient He is concerned with profit, rather than his own social prestige, which might be better served through land ownership or government service

Many sources lay specific stress on the willingness to *speculate* and risk losses The more censorious see this as a love of unproductive gambling We read, A large amount of the professionally owned capital of the district is diverted from the legitimate operations of trade to speculation or more correctly to gambling by means of anticipation bargains vaida [8] We have several reports of entire futures markets being arrested for violating the gambling laws [83] It is this penchant for risk, albeit rational risk, to which some observers attribute the traditional Indian traders' unfitness for modern entrepreneurial tasks Several major Marwari industrial groups have been destroyed by their continuation in speculative markets, even after they entered industry But I could also argue that futures markets represent in their purest form the buying of things at certain prices and the selling of them at uncertain ones —the quintessential act of the entrepreneur

The possession of these characteristics of organization, calculation

---

Mitakshara shareholders in a joint family property have their property rights vested in them at birth whereas *Dayabhaga* shareholders only inherit their rights as their senior most direct ancestor dies Thus if a *Dayabhaga* grandfather his sons and grandsons live in a joint family the sons only inherit on the death of their father (the grandfather), and the grandsons only inherit on the death of their respective fathers (the sons) If one son predeceases the grandfather however his sons would inherit along with their uncles I would have thought that it was *Dayabhaga* inheritance law which maintained joint family property since the number of potential claimants to a partition are fewer But some observers contend that *Mitakshara* rules actually are more functional in keeping joint family property together Muslim Law on the other hand provides a much more dispersed system of inheritance and does not recognize the joint family as a corporate entity Not surprisingly Muslim convert merchant groups often preferred to retain Hindu family law to keep their joint family capital together

[82] *Gazetteer of the Bombay Presidency* Vol IV, *Ahmedabad* (Bombay 1879) pp 66-67

[83] Bajranga Lal Kedia v King Emperor All India Reptr 1921 Calcutta 719 Thakurdas Mundra v Emperor All India Reptr 1930 Calcutta 637 Indian Cases 128 (Calc High Ct) 330

and speculation emerges from a traditional caste vocation in trade Why particular groups were recruited into trade often at a point in the mists of pre history is itself a problem worthy of attention Perhaps some of these castes were formed out of individuals of varying origins who found themselves traders The tradition of the castes themselves point to their having been Rajput warrior tribes who converted themselves to more specific mercantile pursuits—at least in the case of Oswals and Maheshwaris—suggesting that they were originally migrant tribes who took to trade Maybe at the stage of their formation the theories of pariah marginality of n achievement had some greater role than they do now However, Pirenne's theory that the medieval bourgeoisie were formed by drop outs from all other orders in society seems more applicable [84]

Trading communities are habituated to credit and risk and develop institutions and attitudes for coping with them But as we shall see, this role is not enough to impel members of a group into industry There needs to be an impelling force (war profits the unprofitability of old lines, ideological predilections) a consciousness of the possibilities of industrialization, and means for acquiring credit and markets

Even within a commercial community, it was only some businessmen who involved themselves in industrial entrepreneurship As Milton Singer says of another commercial group

> It is not an entire community that develops specific lines of economic activity but only a small number of families and individuals from within that community and even where traditional occupations may predispose members of a particular community to go into one line of economic activity rather than another as in the case of Cettiyar moneylending and trade it is still only a small and highly localized fraction of the community that may be so ' predisposed by special experience abilities opportunities and other circumstances to take the lead [85]

[84] Henri Pirenne *A History of Europe* translated by Jan Albert Goris (N Y 1936) pp 210-214

[85] Milton Singer *When a Great Tradition Modernizes An Anthropological Approach to Indian Civilization* (N Y 1972) pp 309 310

The History

In this section we shall deal with three entrepreneurial challenges which the Marwaris met in the last 150 years, and try to determine the factors which led to their success First, they moved to Calcutta or some other place outside of Rajasthan and found themselves some niche there This they did at an accelerated rate from 1860 to 1900 They then successfully accumulated capital in trade, gaining leading roles as exporter importers stockbrokers, or speculators The crucial point in this process was when the Marwaris gained commercial pre-eminence in Calcutta, next to the British, from the Bengalis and Khatris This pre-eminence seems to have been achieved by the beginning of the First World War Next the Marwaris transferred some of their resources into manufacturing industry The first Marwari industrial groups only entered industry after the First World War

For centuries the Marwaris, based in their homelands in Rajasthan, had participated in the long range trade and high finance of North India During the Moghul period of Indian history (1525 1707) several semi permanent migrant communities of Marwaris began to grow up outside the Marwari homeland In the eighteenth century the Jagat Seth house (Marwari Oswals) were bankers to the Nawabs Nazim of Bengal, and made and unmade Moghul emperors [1]

A community of fellow Oswals soon gathered in Murshidibad (the capital of the Nawabs Nazim) and its suburbs Azimganj and Jiaganj To this day they form one of the elements of the Marwari community in Bengal Many bought large landholdings and assimilated their life style to that of the rest of the landed gentry of Bengal [2] Most of them

[1]A good summary of the material on the Jagat Seth is found in B R Rau *Present Day Banking in India* (3rd ed Calcutta 1930) pp 250-251 S Bhattacharya *The East India Company and the Economy of Bengal 1704 1740* (London 1954) pp 108 110 P Sinha *Jagat Seth aur Bengal mee Angreezi Rajya ki Nit* (Allahabad 1950)

[2]J H Tull Walsh *History of Murshidabad District Bengal with Biographies of Some of its Noted Families* (London 1902) N K Sinha *The Economic History of Bengal* 1793 1848 Vol III (Calcutta 1970) p 77

also kept their fingers in banking and trade, where they played some part in the settlement of Assam and the promotion of the jute trade industry in Bengal [3] The Dalchand Singhi family of Azimganj were proprietors of the firm Harisingh Nihalchand, a major jute exporter in the early 20th century This was in addition to their banking business and several *hundred thousand acres of Zamindari landholdings On the other hand,* these families remained outside of the mainstream of Marwari life in Calcutta, and were not prominent in the early industrial efforts there

The leading merchant houses of Benares claim descent from merchants who arrived from Rajasthan with the Moghul armies in the sixteenth century, especially as commissary officers to those units commanded by Rajput noblemen from Rajasthan [4] This did not prevent however, a later marital bar against more recent immigrants from Rajasthan As our firm histories will indicate firms headquartered in Rajasthan were active in the Punjab wool trade in the early eighteenth century They had branches at the Ganges port of Farrukhabad by the end of that century [5] The earliest Hyderabadi firms of Marwari provenance date themselves from the last half of the 18th century [6]

Tod, the classic historian of Rajasthan, could write in 1832

> Nine tenths of the bankers and commercial men of India are natives of Maroo des [Marwar] and these chiefly of the Jain faith [7]

The greatest impetus to Marwari outmigration however, was British rather than Moghul The first European trading companies arrived in India in the sixteenth century The British defeated their prime competitors, the Dutch, the French, and the Portuguese, and by 1757 had a predominant commercial and political hold on the sub-continent They undertook direct administration of Bengal in 1765 In 1799 they defeated Tipu Sultan the last political threat to them in the south of India In 1803 1804 they defeated the Mahratta Maharajas of Indore and Gwalior and occupied extensive territories in North India Finally,

[3] See Appendix A section on Calcutta

[4] *District Gazetteers of the United Provinces and Oudh* Vol XIIXI Benares by H R Nevin (Allahabad 1911) S S Bhandari *Aggarwal Jati ka Itihas* Parts I and II (hereafter *Agg I* and *A g II*) (Bhanpura Indore 1935 and 1940) passim Interview with Om Prakash Malviya (Priest to Benares Aggarwals) and Murari Lal Keria in Benares March 1970

[5] See Chapter V

[6] See Hyderabad Section of Appendix A

[7] Tod *op cit* Volume II p 166

the Peshwa, leader of the Mahratta Confederacy, was defeated in 1818 The princes of Rajasthan and Central India had all signed subsidiary alliances Only Ranjit Singh in the Punjab, to the far north, remained as an independent power, and his kingdom too was annexed in 1849

British commercial activities centred initially on finding goods to send from England to sell in exchange for the cloth and other commodities demanded there By the end of the eighteenth century British demand for cloth had declined Instead a triangular trade developed in which Indian opium went to China, for Chinese tea to be sent to England, to be exchanged for various manufactured goods (and the ser vices of the British occupation), to be returned to India Other Indian exports were successfully developed in the first years of the nineteenth century at first indigo and grain, and later cotton

Between the consolidation of British power in the latter half of the eighteenth century and the revolt of 1857, the British rapidly extended their commercial network all over the country Indigo and opium and later cotton and tea, were developed as export crops The dominant position of the East India Company was undermined by numerous British owned agency and managing houses British exports to India, pre eminently of cotton piece goods, expanded dramatically

As we shall see, Marwari migration occurred on a large scale, especially to Central and Western India, and to major parts of the United Provinces Marwaris emerged as some of the important dealers in the newly opened commercial lines

Migration

In Central India the rural areas of Bombay Province Bihar the Marathwada area of Hyderabad and Assam the Marwaris became the pre eminent local moneylenders and merchants They financed especially the growth of the new cash crops which the British demanded In the Brahmaputra Valley of Assam and North Bengal they had a monopoly on the export of all products except tea, and on the import of all provisions [8] Indigenous businessmen seem never to have existed in any number in this area Their settlement seems to date from the opening of these areas to outside trade, from 1840 onwards

Both in Maharashtra and Central India the Marwaris were first connected as bankers and military contractors with the Marathas, whom

[8] See Assam section of Appendix A

they may first have met on the Maratha incursions into North India in the late eighteenth century. In the Marathi and Hindi speaking areas of Bombay Presidency, they seem to have arrived in strength after the reductions in land revenue (1835-50) created some surplus with the peasant on which a meagre retail trade could be based.[9] The Marwaris in these areas eventually moved into trade in opium, cotton, and grain. But even in their strongholds such as Ahmednagar the Marwaris met with strong competition from Gujerati businessmen. The indigenous peoples of Maharashtra and Central India seem to have been inactive as businessmen.

Because of its propinquity to Rajasthan it is likely that Central India and Malwa had always had some migrant Marwari businessmen. As strong political centres were established at Gwalior, Bhopal, and Indore in the late eighteenth century, more Marwaris moved there. The rulers, in time honored fashion in and out of Rajasthan, extended concessions to businessmen to come and settle bringing with them their capitals and access to resource groups. Our summary of firm histories in Chapter IV and Appendix A would indicate that some firms settled in Central India before 1780. John Malcolm, a British traveller, notes in 1829

> Almost the whole of Sowcars and Shroffs [bankers and money brokers] and a great proportion of Bunnias [or retail dealers], in Central India, are either from Gujerat or Marwar and generally not very old settlers. The principal bankers at Oojein, of Gujerat origin, came there about three centuries ago and those of Marwar at a later date.[10]

Malcolm further notes that the Marwaris were more numerous than the Gujeratis, and included in their number some Jodhpur Brahmins.[11] This is hardly surprising considering the greater journey the latter had to make to Malwa.

The early nineteenth century saw the establishment of several tens of thousands of Marwari merchants in Central India and Maharashtra, in the opium tracts of Malwa and the plains of the Deccan. Migrants to the Deccan were largely of the Oswal and Maheshwari castes from Jodhpur State. Those to Malwa also contained a fair proportion

[9] *Gazetteer of Bombay Presidency* Vol VII Part I *Thana* (Bombay 1882) p 14

[10] John Malcolm *A Memoir of Central India and Malwa* Vol II (2nd ed London 1824) p 159

[11] *Ibid*

ports, and a major commodity for the local Marwari firms The books of Sevaram Ramrikhdas, a Farrukhabad and Mirzapur based firm in the 1830 s show opium to have been their major commodity [18]

Indigo was introduced from the 1780 s onward, with the government favoring Bengal indigo versus its upcountry competitors [19] The indigo trade was a specialty of European firms Indians were, however major financiers of British firms in indigo [20] A few Indian firms even entered the producing side directly Sevaram Ramrikhdas and Dwarkanath Tagore both were at one time the owners of indigo factories [21]

Cotton piece goods and raw silk which had once been important export items, declined for reasons which are subject to some debate Mostly this was affected by the industrial revolution in textiles, and its effects on government policy [2] As compared to opium and indigo raw cotton continued as an export of relatively lesser importance Imports were mostly of cloth and other items of foreign manufacture Internal trade was concentrated in ghee and tobacco [3] Several recent pieces point to the importance of the Kashmiri wool shawl trade in which several Marwari firms especially Tarachand Ghanshyamdas got its start [24]

Between 1780 and 1820 Marwari migrants, almost exclusively composed of Shekhavati Aggarwal traders, established themselves in the grain markets of the Doab and Ganges Valley Khurja, Hapur, Hathras Firozabad, and Mirzapur [2] Here they met competition from indigenous and Punjabi Khatri traders These non-Marwari traders tended to concentrate more in the political and religious centres of Benares Allahabad Lucknow and Agra than in the grain market towns Other firms established themselves in the river ports along the Ganges Farrukhabad Mirzapur Patna and Bhagalpur

Many large multi branch firms (Great firms as I term them) with branches both in Malwa and the river ports seem to have made good returns in opium banking and wholesaling imported goods With a few

[18]Sir Padampat Singhania an interview in Kanpur in the fall of 1970

[19]Chowdhury *op cit* pp 73ff

[0]*Ibid* p 92

[1]Sir Padampat Singhania interview cited in note 18 supra N K Sinha *The Economic History of India* Vol III (Calcutta 1970) p 119

[2] Gillion *op cit* pp 38 39 N K Sinha *op cit* pp 1 25

[3]N K Sinha *op cit* p 45

[24]See Chapter V

[25]See U P section of Appendix A

exceptions—Devkarandas Ramkumar of Nawalgarh Tarachand Ghanshyamdas of Ramgarh, and Sojiram Hardayal of Ramgarh—these large firms seem to have left the final stages of export and import trade to other communities, domiciled in the port cities of Calcutta and Bombay [26]

N K Sinha quotes Trevelyan in 1835 as saying

> The merchants of the upper provinces know nothing of the trade of the lower provinces and the merchants of the lower provinces know nothing of what is passing above Mirzapore [27]

The system of inland duties (in force 1801-1835) apparently was partially responsible for this differentiation The abolition of these duties certainly facilitated mercantile migrations and movement in general, by not requiring travellers to continually stop for inspection [28]

By 1850 the leading Marwari firms had offices all over India Sojiram Hardayal, which was at first the leading Marwari firm in Calcutta had offices, inter alia in Calcutta Mirzapur, Farrukhabad, and China [29] It collapsed after an unsuccessful attempt to corner theopium market in the 1850 s and was succeeded by Tarachand Ghanshyamdas, which had branches all through the opium and cotton growing tracts of Malwa in the ports of Calcutta and Bombay and in the river ports along the Ganges Mirzapur, Farrukhabad and Patna [30]

Other firms belonging to the Poddar family from Ramgarh and the Daddas from Phalodi and the great Central Indian firms, Sevaram Khushalchand Malpani and Bansilal Abirchand Daga, were similarly spread all over India Another leading early firm Sevaram Ramrikhdas divided in 1847 It was succeeded by firms in Kanpur, Mirzapur, Farrukhabad and Calcutta The Kanpur owners were the ancestors to today s prominent Singhania industrialists of that city [31] The firm Sadhuram Ramjidas of Khurja similarly had branches stretching down the length of the Ganges Valley The commercial directory covering the area in the 1840 s lists a dozen Churu merchants (Churu was a leading town

[26]See Chapter V

[27]Trevelyan *Report on Inland Customs and Town Duties* 2nd ed (Calcutta 1835) p 16 cited by N K Sinha *op cit* pp 45 46

[28]N K Sinha *op cit* pp 43-44 though he thinks the interpretation may be overdrawn

[29]Modi *op cit* pp 419 421

[30]See Chapter V

[31]Sir Padampat Singhania interview cited in note 18

Table 3

*EXPORTS FROM INDIA**

(In Millions of Pounds Sterling)

Year	Raw Cotton	Raw Jute	Jute Mfrs	Rice	Oil Seeds	Tea	Opium	Indigo	Cotton Mfrs	Hides	Wheat	Total
1869	20	2	—	(3)	2	—	11	3	—	—	—	52
1898	7	—	—	11	8	5	5	2	1	5	7	73
1913	27	21	19	18	17	10	2	—	2	16	119	
1916	24	11	28	13	11	11	1	1	9	16	116	158
1924	91	29	52	38	33	33	1	—	11	14	19	385

SOURCE *Statistical Abstract Relating to British India from 1860 to 1869* pp 16-17 *Statistical Abstract Relating to British India from 1910 11 to 1919 0* pp 162 163 *Statistical Abstract Relating to British India from 1896-97 to 190 06* 41st No (London 1907) pp 154-155

Burma was annexed in 1886 and is not included in the 1869 figures

includes both rice and wheat

declined of course because of the development of synthetic blue dyes after 1890 [41]

After a spurt of opium shipments to China, from 1862/63 to 1876/77, the opium trade began to decline, reflecting increased opium production in China [42] In 1895 98, the revaluation of the rupee yet further reduced shipments as compared to the previous decade, to almost half of their previous total In accord with its international commitments the British government started the gradual enforcement of a policy of reducing the trade in 1908 It reduced annual shipments for the next year to 15,100 chests—3,000 less than the annual average for the last eight years—and touched off a speculative episode I deal with in Chapter VII The restrictions were rendered more stringent in the following years

On the import side, from the 1860s to the First World War somewhat less than half of India s imports were of cotton manufactures 11 8 million pounds sterling of 29 5 in 1866, and 40 million out of 90 million in 1913 [43] During World War I, the total dropped to Rs 490 million out of 1490 million (1916) and never recovered The other major imported items were raw metals and machinery, sugar, and mineral oil By the 1920s there were some *Marwari* firms importing sugar and metals but then, as earlier, they specialized in the cotton textile import trade

Other import trades belonged to other communities In Calcutta, wholesaling of metal products is still today a heavily Bengali business, wool fabrics remained a Khatri specialty In some areas the retailing of heavy machine products, then as now, was the specialty of a Muslim trading group from Bombay

Possessing commercially oriented resource groups with relatives and corresponding firms all over India the Marwaris became the natural agents to British houses in the port cities They would have their up-country correspondents buy raw produce for sale to the British firms in the port cities, and sell imported goods that could be bought from them

The new connections of railways and telegraph also directly facilitated the long range migrations which Marwaris now undertook Families could be left in the home village in Rajasthan and visited at intervals Communications could be maintained with brothers as far afield as Rangoon and Bombay

[41] Dutt *op cit* p 381

[42] S Edwardes *Gazetteer of Bombay City and Island* Vol I (Bombay 1909) pp 346-348

[43] Same as Table 3 supra

A symbol of the new spirit appeared in the primary schools in the small villages of Shekhavati Previously, simple book keeping and Hindi had been thought sufficient Now, as G D Birla, the wealthiest Marwari industrialist today, tells us, special masters were engaged to teach enough English so that graduates could send commercial intelligence by telegraph [44]

As a natural outgrowth of Marwari commercial activity upcountry, some Marwaris moved to the port cities Migration to Bombay started after 1800 and to Calcutta especially after 1830 [45] The first migrants to Calcutta seem to have hitched rides as supercargoes aboard river boats belonging to the big Marwari firms with branches in Mirzapur at the eastern end of the Ganges Valley [46] As we noted in the last section these firms were already important enough to have been listed in commercial directories in the 1840s Calcutta commercial directories from the 1860s already show a few of the Marwari banking firms especially from Ramgarh, with functioning offices in Calcutta itself [47]

In Calcutta the Marwari migrants started as agents or clerks to the larger Marwari firms, and soon moved into business on their own Ramdutt Goenka arrived in the early 1830s as clerk to Sevaram Ram rikhdas a large firm with its headquarters then in Mirzapur [48] He established his own firm too in the late 1830s As we shall see in Chapter VI, by the 1860s he was *banian*, chief Indian broker to several large firms Nathuram Saraf started as a clerk under Ramdutt Goenka, and he too soon became *banian* (the first Marwari to do so) to Kinsell and Ghose [49] Saraf himself facilitated further migration especially from his home town of Mandawa by opening a *basa* or boarding hostel for Marwari migrants in which they could stay free of charge The pace of Marwari immigration quickened after the construction of the Delhi Calcutta Railroad in 1858 60 [50] The Calcutta city directories, which started to be published in 1864 show ever more and more Marwari

[44] G D Birla *Kuch Dekha Kuch Suna* (New Delhi 1962) pp 42 54

[45] See section on Bombay city in Appendix A

[46] *Agg* I pp 486–487 C R Bhandari *Oswal Jati Ka Itihas* (Bhanpura 1934) (Hereinafter *Os*) pp 277–283

[47] *Thacker s Post Office Directory for Bengal* (Hereinafter referred to as *Thacker s Directory*) (Calcutta 1865) p 84 A G Roussac compiler *The New Calcutta Directory for 18*[illegible]*3* (Calcutta 1863) pp 43–44

[48] See Chapter VI

[49] *Ibid*

[50] Dutt *op cit* p 127

firms, both in the commercial and street directory sections [51]

Gradually some brokers advanced to the ranks of *banians* Ramdutt s firm Ramdutt Ramkissendas to Rallis and Kettlewell Bullen by the 1880s, Surajmal Jhunjhunwala to Graham and Company in 1879 Onkarmal Jatia to Andrew Yule,[52] and the Musuddi family (descendents of Nathuram Saraf s ex clerk) to Hoare Miller [53] Simultaneously the Marwari shroffs, the indigenous style bankers, strengthened their hold on the banking of Calcutta A list of 'Native Bankers in a commercial directory in 1864 is probably at least half Marwari [54]

Somewhat later the development of the jute industry, originally a Bengali trade, began to interest first the Oswals such as Jivanmal Bengani, and from 1900 other sections of the Marwari community By 1900, more than one half the jute balers were Marwaris [55]

Jute was either sold to mills in Calcutta or shipped abroad With few exceptions, the mills bought through European agents, and Indians could only be underbrokers to them [56] The jute for export was originally sold to specialized shippers with offices in London Gradually the balers, who purchased the loose jute from various wholesalers, began to use their own agents in London and other countries [57] By the First World War the shippers, who were entirely European, had often acquired their own baling facilities Indian balers had started shipping much of their product directly through London agents Credit in this latter case was usually extended by the foreign buyer

The years immediately before the First World War saw the Marwaris acquire a large number of pucca, export oriented jute presses Dulichand Kakraniya of Chirawa is supposed to have acquired his first in 1872 [58] Surajmal Jalan, the founder of the large industrial firm Suraj-

[51] *Thacker's Indian Directory* previously cited and the volumes for 1871 1878 1885 1890 and 1895

[52] See Chapter VI

[53] The classic work here is L C Jain *Indigenous Indian Banking* (London 1929) The literature is considerable and includes the voluminous proceedings of the Central and various provincial Banking Enquiry Commissions 1929-30 Lists of *shroffs* indigenous style bankers are found in Modi *op cit* pp 530-31 and various commercial directories

[54] Thacker s cited in note 47 supra

[55] Rishi Jaimini Kaushik Barua *Surajmal Jalan Madhu Mangal Shri* (hereinafter referred to as *Jalan*) (Calcutta n d) p 86 in a footnote

[56] S C Mitter *A Recovery Program for Bengal* (Calcutta 1936 [?]) pp 66-94

[57] *Ibid*

[58] See Section on Calcutta in Appendix A

mal Nagarmal, acquired one in 1911, a second in 1913 and a third in 1916 [59] The 1911 Census records 9 Marwari owned jute presses out of 24 in Calcutta, of which 10 were European owned [60] *Thacker s Indian Directory* for 1915 shows 46 jute presses in Bengal, many more being owned by Bengalis than by Marwaris [61]

The Jute Balers Association in Calcutta dated from 1892 It had both Indian and European members, but was entirely dominated by the Europeans among them [62] By 1900, there were 74 balers on its rolls, of whom 49 were Marwaris The Marwari balers and brokers found it difficult to be admitted to the Royal Exchange where jute transactions were made By 1909 an effort led by Sir Badridas Goenka and other leading Marwari merchants resulted in the formation of the Baled Jute Association, which provided facilities for Marwaris trading in jute [63] Bengali firms remained in the jute business but seem to have been surpassed by their Marwari competitors They seemed to meet difficulty in expanding their operations In the immediate pre-World War I period and during the First World War itself, Marwaris also entered the jute sacking (hessians) trade, formerly a European preserve

As the speculative markets of Calcutta developed from 1860 onwards, more and more of the successful participants were Marwaris From their inception the opium and jute futures markets were a Marwari preserve [64] The Marwari presence was relatively less important in the stock market, but increased considerably before and during World War I [65] A detailed treatment of these markets is relegated to Chapter VIII

Developments in other areas roughly paralleled the Calcutta pattern Marwaris moved to Kanpur from the river ports of Mirzapur and Farrukhabad The railway had replaced the river route as the main conduit for goods traffic rendering the rail centre of Kanpur a better locus of operations As the Mirzapur District Gazetteer of 1911 informs us The importance of Mirzapur as an entrepot of inland trade

[59] Barua *Jalan op cit* pp 85 86

[60] *Census of India 1911 Vol VI: City of Calcutta* by L S S O Malley Part I *Report* (Calcutta 1913) p 113

[61] *Thacker s India Directory for 1915 The Chief Industries* (Calcutta 1915) pp 58-59

[62] Barua *Jalan op cit* pp 85 88

[63] *Ibid*

[64] See Chapter VII

[65] See Chapter VIII

is a thing of the past'[66] Originally Kanpur Marwaris were especially prominent as grain and oil seeds traders, cloth store owners, brokers, and bankers[67] Then they started replacing Khatri *banians* as intermediaries in the cloth trade, as they were doing simultaneously in Calcutta The oil seeds and sugar trade, not inconsiderable items in Calcutta, took on greater importance after 1900 They led to investment in vegetable oil mills after 1921, and sugar mills after the extension of tariff protection in 1931[68]

In Assam, the first firms like Mahasingh Rai Meghraj Bahadur (treated in Appendix A) arrived before 1850 but the mass of migrants waited for the opening of the railways in the 1870s and 1880s[69] In Assam, as in Bihar and Western India, we find large numbers of Marwari firms combining general merchandising with commission purchase and finance of local agricultural crops[70] Later, the accumulated funds of these firms enabled them to finance English owned tea gardens and after the First World War to purchase some of their own The large scale entry of Marwari firms into the tea industry belongs, however, to the post independence period

In Bihar, as in Assam and Central India, the migrant Marwaris came first, following the trade routes to Calcutta Then they moved into the rural areas as shopkeepers, moneylenders, and dealers in agricultural produce Fairly early, as in Central India, some Marwaris such as the Dhandhanias of Bhagalpur started purchasing landed estates, often picked up in distress sales[71] In Bihar, too industry was a later phenomenon The first Marwari firms in the Jharia coal field date from after World War I Some mica mining however, as we will see in Appendix A goes back much farther The sugar and cement developments centred in Bihar belong to the 1920s

As we have just noted, the first Marwari firms in Calcutta date from before 1857 It is only in the 1870s that we get a sense of the Marwaris arriving in Calcutta in large numbers

[66] *District Gazetteer of the United Provinces of Agra and Oudh* Vol XVII *Mirzapur* by D L Drake Brockman (Allahabad 1911) pp 73ff Vol IX, *Farrukhabad* by E R Neane (Allahabad 1911) pp 57 58

[67] See Appendix A section on U P and especially Lakshmi Narain Tripathi and N P Arora *Kanpur ka Itihas* Part II (Kanpur 1958) and L C Dhariwal compiler *Indore Gazetteer* Vol I (Indore 1931) p 214 and appendices

[68] See Appendix A on U P and Bihar

[69] See Appendix A on Assam

[70] See Appendix A

[71] See Appendix A on Bihar and Chapter IV A Summary of the Sample

> The immigration from Rajputana has shown a phenomenal increase in recent years This increase marks the invasion of the Marwari community into business circles in Calcutta There are now some four times as many who were born in Rajputana as there were 30 years ago[72]

The final stages of export and manufacture in those trades that were centred in Eastern India (jute tea coal and shellac) were still largely in the hands of those European agency houses which had consolidated their position in the years 1860 1914 It was under them that Marwaris initially found employment as brokers and agents On the other hand, in Bombay, where the role of Indian firms (owned by Hindu, Muslim and Parsee Gujeratis) was more significant, the Marwaris made a much smaller place for themselves As we shall see in Appendix A, the place they made was similar in type to if smaller in proportion than that in Calcutta

As late as 1928-29 in Calcutta only half of cotton manufactures imports were handled by Indian firms and the percentages for other commodities was much less In the export of raw jute, the Indian percentage was less than a third, in hessians one seventh in tea nil, in shellac and hides less than 10 per cent[73] Only in the infinitesimal export trade in cotton manufactures (not a Calcutta specialty) and in oil cakes were Indians the major exporters The total value of these commodities exported was only Rs 300 000 to Rs 400 000

Capture of Pre eminence

As long as anyone could remember there had been up country merchants in Calcutta some of them Marwari handling shipments and remittances to and from the hinterland But until the 1860s the trade of Calcutta (that part which remained for Indians) was in Bengali and to a lesser extent in Khatri and North Indian *bania* hands Slowly, starting in the 1880s the Marwaris started replacing the Khatris and Bengalis as *banians* to British firms By the turn of the century the list of invitations to the Viceroy s Levees published in the newspapers show a sizable group of Marwaris and only one or two Khatris

[72]*Census of India* 1921 Vol VI *City of Calcutta* Part I Report by W H Thompson (Calcutta 1923) p 32 and passim

[73]*Central Banking Enquiry Commission Report* Vol II (Calcutta 1931) pp 810-819

Jute became a Marwari trade As the Industrial Commission of 1916-1918 stated

> Until quite recently the initial finance and collection of jute were mainly in Bengali hands, but in Calcutta the Bengali merchant, who had settled there to take his share in general trade, was apparently unable to pass on from that stage to manufacture, and even in his commercial business upcountry, he is yielding ground to the more enterprising Marwari community from Rajasthan [74]

Since the first Marwari owned jute mills only date from 1918 the quotation is a bit mystifying Perhaps the Commission refers to the purchase of "pucca, i e, export, baling factories

The number of Marwaris in Calcutta remained small Even as late as 1921, the Marwaris of Calcutta numbered less than 15,000 (possibly half of them traders) as compared with 56 000 members of traditional Bengali groups (*Shahas*, *Subarnabaniks*, and *Gandhabaniks*—1/3 to 1/4 of them in trade) and 218,000 members of the three elite caste groups of Bengal (perhaps 5 10 per cent of the latter were active in trade) [75] Yet the commercial position of Marwaris in Calcutta was next only to the British "A large share of the sea borne and inland trade of Calcutta was in the hands of Marwari merchants" [76]

Their entrance into ' manufacturing (as suggested by the Industrial Commission) and their 'enterprise are descriptions rather than explanations of Marwari success We must look for deeper causes to explain the sudden rise of the Marwaris

Table 4

CALCUTTA MERCANTILE POPULATION IN 1921

Community	*Number*
Marwaris	15 000
Traditional Bengali Traders	56 000
Elite Bengali Castes	218 000

SOURCE See note 72 supra

[74] *Report of the Indian Industrial Commission 1916-1918* (London 1919) p 15
[75] See note 72 supra
[76] D K Gadgil *op cit*, p 5

Gadgil suggests that the superior strength of Marwaris in banking was crucial[77] In 1835 Boileau reports the Dadda bankers of Phalodi, Jodhpur offered businessmen accommodation at the rate of 1/2 per cent per month, much lower than available elsewhere[78] In a complaint to a commission of enquiry, the Bengal National Chamber of Commerce, complained that the Marwaris, a major part of Calcutta s indigenous banking system, favored their caste fellows and did not put their money in bank stocks where it could serve the general trading interest[79] A Soviet writer suggests, those narrow boundaries within which they contain their banking activities must be to a significant degree correlated with their monopoly position in the trade of Bengal[80] He also suggests that the Bengalis were more averse to risk than the Marwaris, and less willing to rely on English bank credit One Marwari informant made the reverse complaint—that Bengali firms were reluctant to use their own capital in the jute trade, but remained dependent on banks and shippers[81]

N K Sinha one of contemporary Bengal s premier historians devotes the last two chapters of the third volume of his history of the economic life of India to a detailed consideration of the withdrawal of Bengalis from commerce and industry[82] Four factors seem most important, all ultimately rooted in cultural attitudes

First, he blames the litigious and extravagant nature of the heirs of the first generation of Bengali businessmen Death ceremonies alone often consumed 10 per cent of the great fortunes Extravagant amounts were expended on personal consumption Those who escaped lengthy probate fights seem to have been exceptions On the other hand, only three large Marwari firms (in the pre independence period) I know of permitted their affairs to reach the courts the families of Hardutrai

[77] *Ibid*

[78] A H R Boileau *Personal Narratives of a Tour Through the Western States of Rajwara in 1835*) p 99

[79] This is a double translation back from the Russian of testimony to the Bengal Provincial Banking Enquiry Commission in 1929 30 quoted from Vol II p 382 of its *Report* in V I Pavlov Ocherk Deyatel nosti Torgovstev i Rostovschakov v Kolonialnoi Indii *Uchenye Zapiski Instituta Vostokovedenya XII* (Moscow 1955) pp 143 148

[80] *Ibid*

[81] S C Berana Interview in Calcutta 1970

[82] N K Sinha *op cit* pp 88-136 Blair Kling Entrepreneurship and Regional Identity in Bengal in ed D Kopf *Bengal Regional Identity* (East Lansing Mich 1969) pp 75 84

Chamaria, Raja Shivbaksh Bagla and the Lodhas of Ajmer Numerous other cases of differences were negotiated or arbitrated quietly

Comparisons of the religious expenses might well reveal them to have been comparable On the death of Hari Ram and Badridas Goenka s father in 1908, 75,000 attended and each was given a rupee and food in their home village of Dhundlod The total cost was approximately Rs 250,000 [83] Similar expenditures were recorded on the death of Surajmal Jhunjhunwala in 1894—and it is reported that he himself had given more than Rs 1 million to charity in his lifetime [84] Sarupchand Hukumchand is supposed to have given away more than Rs 8 million in his lifetime [85] A group of Ramgarh Poddars literally gave away one of the largest Marwari firms to charity A father in law intervened with one of these Ramgarh Poddars to provide a 100,000 rupee trust for his son, so that he would be able to support his wife after his father s death [86]

The Marwaris were unlikely, however, to indulge in extravagant personal consumption on houses or apparel The decline of the Khatri *banians* in Calcutta trade was partially explained by many Khatris themselves, on the basis of their high overheads—as compared to the Marwaris [87]

Next Sinha notes the effect of various frauds perpetrated by Englishmen in the early part of the nineteenth century, in disenchanting Bengalis about joint ventures After 1850 only one Bengali remained in a joint venture, Ramgopal Ghose It was these joint ventures that seemed particularly suitable from the Bengali point of view Later, successful Bengali businessmen like N C Sirkar in the coal industry and Rajendranath Mukerjee in contracting seemed also to prefer this sort of arrangement Blair Kling suggests that European partners helped remove some of the stigma felt to be connected with a commercial career—that European style business was perceived as less demeaning than Indian style business [88]

Here a subordinate line of argument presented by Blair Kling is

[83] Sir Badridas Goenka *Meree Sansmaran* pvt printing (Calcutta n d) p 38

[84] Rai Surajmal Jhunjhunwala Bahadur typescript (n p n d)

[85] Satyadev Vidyalankar *et al* *Hukumchand Abhinandan Granth* (New Delhi 1951) pp 175 188

[86] Ed Basudev Sharan Aggarwal *Kanhaiyalal Poddar Abhinandan Granth* (Mathura 1953)

[87] Lala Babu' Damodardas Khanna Interview in Calcutta 1971

[88] Kling *op cit*

apropos After 1853, India became a net importer of capital for several decades British firms were no longer dependent on their Indian collaborators for working capital—and were thus likely to grant them less honorable and lucrative terms The older collaborating firms (mostly Bengalis) were reluctant to take up these new terms [89] On the other hand new firms whose bargaining position was not as good, emerged to step into the collaborating role

This was especially true because of Sinha s third factor the existence of lucrative and easy avenues for investment in permanently settled zamindaris, tax farming landholdings The wealth of the leading Bengali firms like Pran Kissen Law was diverted into this line Even the wealth of the older Marwari firms of Murshidabad followed By the time the later Marwari migrants had accumulated enough funds, perhaps the prospects of landlordship in Bengal had faded. In any case, they did not enter this field in Bengal in a large way The Marwaris in Western India bought heavily into land, often for large scale cultivation and horticulture Those of U P, Central India and Bihar had many large estates among them Many of these estates were picked up at forced sales for tax defaults Raja Gokuldas of the banking firm of Sevaram Khushalchand of Jabalpur is reported to have owned 158 villages More complete data on this question of landholding will be found in the Sample Summary in Chapter IV

Why the later Marwari immigrants to Bengal did not go into land holding is thus still an open question The suggestion of declining pro fitability of landholding in Bengal has something to be said for it, but elsewhere Marwaris were still buying estates in the 1920s Perhaps landed estates in Bengal proved particularly difficult for outside merchants to manage Perhaps the alternative possibilities for Marwari investments in the 1920s and 1930s proved sufficiently attractive to attract the Marwari accumulations during the World War years of 1914 1921

The last reason for Bengali retreat, according to Sinha, was their lack of an upcountry network This was partially due to the sorts of humiliations which upcountry traders had to sustain in connection with inland levies on goods The refusal to move upcountry in commerce was, interestingly, paralleled by a rapid migration in professional and clerical capacities The Marwaris were presumably willing to pocket the humilia tions of upcountry trading Meanwhile 'in Calcutta growing self res

[89]Kling Indian and British Businessmen in Calcutta 1820-1860 paper delivered at the American Historical Association (Dec 30 1968)

pect on one side and growing racial arrogance on the other affected business relations at the top [90]

One is reminded of Barzini s comparison between the Northern Italians who seek wealth, sometimes through power and honor,' and Southern Italians who seek ' honor,' sometimes through wealth [91] In this connection, the Bengalis seem to be southerners focused on ' honor ' the Marwaris were northerners directed toward wealth

The lack of an upcountry network expressed itself in several ways An heir to one prominent Khatri *Banian* firm suggested that as more and more of the shops and brokers even in Calcutta were Marwaris, non-Marwari *banians* were at somewhat of a disadvantage [9] This position must have been even more true upcountry The problem of network also expressed itself internally While Bengali firms had difficulty finding reliable people to whom to entrust their jute agencies, the Marwari 'resource group found it easy to produce such men [93] The lack of a network is yet more surprising when we note that many Bengalis did move in professional and clerical capacities in Bihar and Assam, yet the Marwaris met with a business vacuum when they moved in there

Besides the potential competition of Bengalis, and the actual competition of Khatris from the Punjab, one other competitive group needs to be noted In banking and upcountry trade there were a large number of firms of U P , non Marwari Bania origin such as Lakshmichand Radhakishen of Mathura (Parakhjiwala) and several firms from Benares such as Sital Prasad Kherag Prasad (to give the name it used in Calcutta) Some of these U P firms seem to have been involved with the fall of the ruling house of Lucknow, but most of them declined throughout the nineteenth century Lakshmichand Radhakishen itself almost went bankrupt in 1898 and was saved only by the intervention of the government in its favor [94] A fair amount of their money flowed into landholding and this may explain some of their withdrawal f om commerce Whereas in the early nineteenth century, judging by indications like entries in commercial directories and holdings of government bonds these firms

[90] Sinha *op cit* p 135

[91] Luigi Barzini *The Italians* (London 1964) p 262

[92] Lala Babu Damodardas Khanna Interview in Calcutta 1971

[93] S C Berana Interview in Calcutta 1970

[94] Modi *op cit* p 504 F S Growse *Mathura A Distri t Memoir* (Allaha bad [?] 1880) pp 12 14 National Archives of India Foreign Dept Internal A Private November 1898 No 1-9

were considerable, by the beginning of World War I they had almost ceased to be a force in the Calcutta market In the early nineteenth century, Gujerati firms were also important figures on the Calcutta market but they seem to have somewhat receded except in coal They recovered only after the period with which we are concerned Perhaps they found enough to occupy themselves in West and South India and in East Africa

ENTRY INTO MANUFACTURING

After the turn of the century the pattern of the economy retained much of its previous shape, but Indians began to increase their role On one day in 1906 Indian firms imported less than 10 per cent of the cotton piece goods brought into Calcutta port By 1928 29 they were responsible for almost half the cotton cloth imports [95] In 1917 the Birla Brothers established the first Indian office for the export of jute in London and rapidly became one of the three leading jute exporters [96] Indians however had been shipping directly as early as 1907 and Harisingh Nihalchand were among the 10 largest houses [97] For the first time Indians, almost exclusively Marwari, began to deal in hessians and manufactured jute products Other firms moved into new import lines, such as the import of sugar from Java and cement from Japan which replaced former German and Austro Hungarian suppliers during the First World War

It was only during and after World War I, encouraged by a lack of competitive imported goods from abroad and by government assistance that Indian industrialization took on some impetus In Eastern India for the first time, major industrial enterprises emerged that were Indian owned In trade too, Indians among them Marwaris expanded their share

Needless to say this expansion was not purely coincidental One cause was that increasing importance of Japanese cloth imports and demand for jute and cotton fibre strengthened the hands of various

[95] *Central Banking Enquiry Commission* II pp 810 819 *Englishman* October 4 1906 p 16

[96] L N Birla Interview in Calcutta 1970 Modi *op cit* pp 557 565 Barua *Raja Baldevdas Birla* (Calcutta n d) Public Relations Dept Birla Organization mimeo sheet entitled *An Oasis in a Desert* (Hereinafter referred to as *Oasis*)

[97] Bahadur Singh Singhi Interview in Calcutta 1970

Marwari houses, such as Keshoram Poddar s and the Birlas, who had been among the first Marwari firms to deal with Japan The Birlas are supposed to have been the first Calcutta firm to import Japanese cloth in 1911 The Japanese managers such as R N D Senda from Mitsui seem to have been far more accessible to the Marwaris than the British

In 1899-1900, Sir Ratan D Tata, a leading Parsee merchant sent 32 bales of raw cotton to Japan The shipments increased steadily By 1935 36, Japan was taking more than one half of India s total

Table 5

SHIPMENTS OF COTTON TO JAPAN

Year	*Shipments in Thousands of Bales*
1905 06	637
1910 11	815
1911 12	1 004
1913-14	1 376

SOURCE C N Vakil and D M Maluste *Commercial Relations Between India and Japan* (Calcutta 1937) pp 89 96

exports of 3 396 000 bales of raw cotton Exports of cotton yarn to Japan were initially 25 million yards of yarn Piece-good imports from Japan rose from 9 million yards in 1913-14 to 496 million yards, more than half the total piece-good imports in 1935 36

The Japanese have written a good deal on this trade and retained extensive records, but I have not completed a study of their side of the trade Marwari firms in Calcutta and Bombay Poddar Birla Ruia, and Jamnalal Bajaj seem to have been involved especially with Mitsui, but with other Japanese trading firms as well

The new financial accumulations and entrepreneurial energy also expressed themselves as we noted in the industrial field Until World War I Marwaris had not been prominent in industry The early Bombay cotton textile factories were all founded by Gujerati Hindus and Parsees The Parsee Tatas led in establishing India s electric power, steel and vegetable oil industries Raja Govindlal Pitty, a leading Marwari merchant and banker of Hyderabad and Bombay did buy two

Bengal and Assam was 75 000[103] Dominance in the field of indigenous banking was established soon after 1860 The role of *banian* to British cotton cloth importing firms was secured from 1870 to 1900 The opium futures market from before 1860 and jute futures after 1890 were primarily Marwari The Marwari position in the jute trade increased from its beginnings in the 1870s until the trade was predominantly Marwari by 1914 During World War I, the control of key speculative markets of the cotton cloth import and jute and hessians trade, provided war profits which enabled some Marwaris to enter into industry after World War I The major new industrializers the Birlas, were estimated by an insider to have increased from a party of "twenty lakhs' to one of eighty lakhs' during the war, from being worth Rs 2 000 000 to Rs 8,000,000

In Central and Western India except for the incidental investments of a few major banking firms most of the available profit from trade and moneylending went into land The Bombay community s Shekhavati component however successfully gained a respectable position in speculative markets especially stock and cotton and in the opium cloth, and cotton trades The presence of vigorous competition especially from various Gujerati commercial groups, meant that this position was not as dominant as in Calcutta Before the First World War, occasional Marwari merchants were participants in the launching of Bombay mills by members of other communities After the war, several started mills of their own Similarly in Hyderabad and Indore war profits enabled the construction of cotton textile mills

In the short space of time between the Revolution of 1857 and the end of the First World War a small group of Marwaris in Calcutta, numbering fewer than 15 000 had entered the trade of the port Gradually they gained pre eminence in that port s trade and launched some of the first major Indian owned firms in manufacture in Eastern India They were assisted by their superior commercial organization as a commercial community the Resource-Group on which they could draw Circumstantial factors and the state of their indigenous Bengali competitors played no small part in their success A parallel, though *lesser progress characterized the Shekhavati migrants to Bombay, the* Ganges Valley and Assam and Marwari migrants to Central, Western, and Southern India

[103]See Table 7 in Chapter IV

The Social Transformation

Get up! Arise Brothers! Personally salute your nation
Today is for manufacture, tomorrow for opening factories
No more shall we export raw goods and receive foreign manufactures
Now after "made in, "India shall everywhere appear
Where is there a precarious mother earth, a land like this?
But now foreigners carry off all its profits!
Raise up industries in your own houses
We can t bear it any longer,
That we should eat fruit peeled and wrung
that we should never get to drink its juice

—My translation of Peroration to the Vaish in Maithili Sharan Gupta s *Bharat-Bharati* Gupta himself was a small town merchant

The Calcutta Census of 1921 notes that the Marwari males of the period were literate, pretty much on a par in this respect with the elite castes of Bengal Their level of English literacy was, however, lower than even the medium ranking indigenous Bengali communities, and their female literacy was almost nil [104] ' The upcounty mercantile classes Oswal Maheshwari and Aggarwals pay little attention to the education of their womenfolk, who are very strictly secluded behind purdah ' [105] Interestingly the Maheshwari, who were to become most prominent in industry had the lowest English literacy of all three castes The picture that emerges is one of a community that, although literate because of the demands of its traditional form of activity, had most of the marks of a socially conservative group As I noted in the beginning of this chapter, the characterization is not unique This picture is also true according to Hanna Papanek, of the merchant communities of Pakistan [106]

As the Marwaris moved into industry, other transformations occurred among them Movements for nationalism, social reform, and modernization swept the community In part these movements helped put Marwaris into industry because industry was felt to be more productive than trade Industry decreased dependence on England while trade was the substance of that dependence Industry was a mo-

[104] *Census of India* 1921 Vol VI *City of Calcutta* Part I *Report* p 32
[105] *Ibid*
[106] Papanek *Memons* Papanek, Punjabi Businessmen in Pakistan paper for Research Committee on the Punjab at the University of Pennsylvania May 1971

dern activity, trade a traditional one Entry into industry was both an expression and a cause of the nationalist and reformist impulses in the community Industry was profitable it enabled its owners to contribute to political movements, to aspire to higher social levels, even to abandon industry if they wished, and, taking their dividend incomes with them, work in other fields

Hatim Amiji of Princeton suggested in conversation that the trading communities themselves lose their exclusively commercial character as they modernize, as the scope and character of their members interests and educational levels change [107] More and more young men, enabled by their superior training enter the civil service, the academy, and the professions Industry also has its own imperatives Thus, a large work force had to be dealt with, requiring a certain sort of social sophistication Industry is technically complex, making it necessary to hire non family members or train family members in various technical skills These imperatives were an impetus to modernization Hanna Papanek and Robert Bellah suggest that this may not be enough that the situation of the new industrialists may keep them 'partially modernized by some definitions [108]

The Marwari community was strongly affected by the movement for social reform, the abolition of untouchability, and by the nationalism movement This was true especially after World War I, and their first entry into industry Many Marwaris were prominent Gandhian workers in their own right but the primary contribution of the community was naturally financial In the years before independence in 1947 the amount of money they gave to the nationalist movement has been estimated in excess of Rs 100,000 000 [109]

In 1921 the Tilak Memorial Fund Collection was the first large scale fund raised by the Indian National Congress, which had just emerged as the mass nationalist movement of India The leading Marwari industrialists were among the leading donors G D Birla and Jamnalal Bajaj were active supporters of the Congress Jamnalal Bajaj was able to use his influence mediated by people like Anandilal Poddar of Bombay, to get other Marwaris to contribute After 1920 Marwari

[107]Hatim Amiji Discussion in Cambridge Mass 1969

[108]Papanek Pakistan s Big Businessmen Separatism Entrepreneurship and Partial Modernization paper delivered at the Association of Asian Studies 1970 Robert Bellah *op cit*

[109]Gopal Krishna The Development of the Indian National Congress as a Mass Organization *Journal of Asian Studies* XXV (May 1966) p 426

money accounted for the running of the Congress in states such as West Bengal and Bihar[110] Marwari money supported the States Peoples Movement, the nationalist movement s extension in the princely states Marwari young men, 500 to 800 according to one list, joined the Cong ress and went to jail with it[111]

IN CALCUTTA

In Calcutta the Marwari community was divided into two parties One was religiously orthodox, largely anti nationalist, and controlled by the more traditional types of traders and agents to the major British firms, the *banians* The other was religiously reformist, often nationalist, and sometimes involved in the beginnings of new industry

The actuality was, of course, not as simple as the model There were many exceptions and complexities The firm Sadhuram Tolaram Goenka and Surajmal Jalan with his father in law, Ramjidas Bajoria, were leaders of the conservative religious party, although early and active participants in industry[112] Nor was the public position of the *banians* always the position they supported in private Many gave secret support to the nationalist movement[113] But the generalization is generally con ceded to have held

A leader in the progressive group was G D Birla, now one of India s largest industrialists, who writes of the origins of his nationalism

> When I was 16 [1908] I started an independent business of my own as a broker, and thus began my contact with Englishmen who were my patrons and clients During my association with them I began to see their superiority in business methods, their organizing capacity and their many other virtues But their racial arrogance could not be concealed I was not allowed to use the lift to their offices, nor their benches while waiting to see them I smarted under these insults

[110]Prof Stanley Kochanek of Pennsylvania State University Discussion in State College Pennsylvania 1969 Prof Gopal Krishna is preparing a definitive study of the financing of the early Congress

[111]Ed R Newatia missing title page (Calcutta [?] 1948) Howard Spodek On the Origins of Gandhi s Political Methodology the Heritage of Kathiawad and Gu arat *Journal of Asian Studies* XXX (February 1971) pp 365 369

[112]See Appendix A

[113]P D Himmatsinghka Interview in Calcutta 1970

and this created within me a political interest which from 1912 until today I have fully maintained [114]

G D 's older brother, Jugal Kishore, rumored to be more orthodox than he, was also an early seeker for means of establishing enterprises independently of the British He sent his own representatives to China and Japan to establish links there [115] By 1920, Jugal Kishore and his father, Raja Baldevdas, were both leading a life of retirement dedicated to religion It was rumored that they did not approve of all the reformist zeal of the younger brothers in the family Nonetheless, they did not break with them, and in fact, made some public statements supporting particular departures such as trips to England the marriage of Rameshwar Das (G D and Jugal Kishore s younger brother), and support for Gandhi s program for the abolition of untouchability

Initially, apparently, Birla was almost the only powerful Maheshwari supporting the reform movement, an impression sustained by lists of conservative Maheshwaris connected with the Didu Maheshwari Panchayat By the end of the twenties he had convinced several prominent Maheshwari figures, by personal contact, to align themselves with him, such as *Harkishendas Bhatter*, the Calcutta manager for both Sarupchand Hukumchand and Jorawarmal Gambhirmal Soni of Ajmer [116]

Evincing a new interest in national social reform and organization the Marwari community in Calcutta articulated itself in a new style of organization Instead of traditional organs the community created new, Western style associations The first Oswal Jain temple in Calcutta dates from 1814 [117] By 1828, there was apparently some sort of Calcutta Marwari Panchayat, a community council, to handle quarrels and maintain discipline in the community [118] As in many of the market towns we know, the members of the panchayat were the leading merchant houses, and their seats were filled by the local chief clerks of these larger firms, ex officio, in the absence of the proprietor

By the end of the nineteenth century, this style of organization was to some extent replaced by smaller, often ad hoc panchayats for

[114]G D Birla *In the Shadow of the Mahatma* (Bombay 1953) p xv
[115]Public Relations Dept of Birla Org *Oasis* pp 17-18
[116]Barua *Birla Raja Baldevdas* (hereinafter referred to as *Birla*) pp 92 93
[117]Shri Jain Shvetamber Panchayati Mandir *Shard Shatabdi Smriti Granth* (Calcutta 1965) p 9
[118]Modi *op cit*, pp 590-598 and 694-701 Earl of Ronaldshay, *India A Bird s Eye View* (London 1924) pp 209 210

different sub communities the Maheshwaris, the immigrants from Ratangarh, and so forth A change in organizational forms, however, took place before the beginning of the twentieth century A Pinjrapole Society was formed in the 1880s to manage a refuge for bereft animals, an old form of religious piety [119] Numerous societies and associations with voluntary membership, elected officers, and written rules were formed on a caste or special interest basis By 1898—

> In order to give their community greater status, its energetic members set up the Marwari Association of Calcutta to promote and advance the moral, intellectual, commercial, economic, political and social interests of the Marwari community and to protect its rights and status and to found and support establishments for disseminating commercial, technical, and general education in different branches of Art and Science in the Marwari community [120]

Despite its wide-ranging statement of purpose, the Marwari Association concentrated on the task of politically representing the Marwari community [121] The Marwari Chamber of Commerce was founded in 1900, by those who felt that the Association was not representing their interests, particularly as traders in the cloth market It attempted to create a new contract form and arbitration rules to replace those set up by the British dominated Bengal Chamber of Commerce, which were felt to be onerous The Chamber was soon racked by dissension between the buyers and sellers of cloth [122] The buyers formed a Merchants Committee as their representative organ The British firms who felt threatened by the Chamber s new aggressiveness are alleged to have incited their agents, especially the *banians*, to sabotage the group [123]

In any case, both the Chamber and the Association soon became inert, allegedly because of internal dissension directed against the groups that dominated them A Vaishya Sabha, organized in 1902,

[119] Barua *Shri Ramdev Chokhany* (Hereinafter referred to as *Chokhany*) ed by R K Newatia (Calcutta n d) p 45

[120] Helen Lamb The Indian Business Communities and the Evolution of an Industrialist Class *Pacific Affairs* XXVIII (June 1955) p 107

[121] Modi *op cit* , pp 579 601, Barua *Chokhany* passim Chokhany who was for many years one of the more active figures in the Association exemplifies the moderate reformism in which it engaged

[122] Modi *op cit* pp 611 616 Barua *Chokhany* pp 45 46

[123] Modi *op cit* pp 614ff

took up numerous local social reform and service issues in the Bara Bazaar area of Calcutta, where most Marwaris lived [124] It arranged to post guards on the way to the local bathing places from 3 o clock in the morning to protect women going to their toilette It established a store to sell crematory supplies at reasonable prices near the neighbour hood cremation place It campaigned against excessive dowries, and the marriage of old men to young girls It even assisted in founding a local debating society In 1908 the Indians in the jute trade, largely Marwaris, organized their own marketing association, rather than put up with the personal slights of the older British dominated association [125]

A building for the Marwari school, Vishudhanand Vidyalay, was built in 1908 [126] The Marwari Relief Society was formed in 1913 [127] Though individual Marwaris were active in Gandhian type constructive social work, the Marwari Relief Society has provided the major channel through which funds, and more importantly volunteer time has been used in causes such as flood relief and public health

A break occurred in the years before the First World War on the question of whether the community should enforce doctrinal orthodoxy The *Sanatani* or the orthodox party tried to remove reformers and even Jains from posts of responsibility in the community [128] Jainarain Poddar, chief clerk of Calcutta s then largest Marwari firm, Tarachand Ghanshayamdas, was a member of the Arya Samaj a religious reform group The Arya Samaj was founded on a call for a return to the Vedas the most ancient Hindu scriptures and the discarding of post-Vedic institutions, including as they alleged idol worship In 1911 the orthodox party launched an unsuccessful drive, complete with demands for signed oaths of doctrinal belief, to remove Jainarain and others of this group from positions of leadership in the community [129]

As in other Indian communities a drive for social reform was launched to change those Marwari practices which appeared repugnant to the community s new values First, the reformers attacked strictures, like those against foreign travel, which hindered the Marwaris in their

[124] *Ibid* pp 616-626

[125] Barua *Jalan* pp 86 87

[126] Modi *op cit* pp 579 601 Barua *Chokhany* pp 58 62 83 and 64 (on first girls school 1905)

[127] Modi *op cit* pp 155 159 *Marwari Relief Society Kalkala Swarn Jayanti* (Calcutta 1963) The society was founded by a group of nationalist Marwari youths who were soon arrested for participation in a terrorist conspiracy

[128] Modi *op cit*, pp 579 601

[129] *Ibid*

commercial activities There was another attack on customs which were seen to oppress women their seclusion in 'purdah," their disqualification from formal education, the prevention of their remarriage if they became widows There was concern with abolishing customs that were seen as demeaning the community, such as the enjoyment of ribald humor and dancing girls at weddings, and the support of Brahmin priests who neglected their ritual duties Measures were taken to control expenditures at weddings and funerals, which spiralled as the prosperity of the community grew, and appeared burdensome to the poor and wasteful to the rich Finally, there was an attack on the very principle of the caste system itself, by promoting marriages at first over minor barriers like those between Marwari and non-Marwari Aggarwals, and finally among totally different castes

The story of Marwari social reform may seem familiar to those who have read much Indian social history With the details and names changed it was modelled, consciously to a considerable extent, on the experience of social reform characterizing almost every Indian community as it enters a modern consciousness [130] Srinivas suggests that communities seek to improve their status by sanskritization taking on the traditional high caste characteristics and Westernization, the adoption of Western characteristics [131] These processes are typically expressed, often simultaneously in self conscious programs of reform Depending on the community, they take one or the other emphasis The Marwaris like many other elite groups were already totally sanskritized as they entered the modern world Therefore its reform program was necessarily Westernist Like nationalism, social reform is a response to the moral and practical imperatives of the modern world

Before World War I, a split occurred among Aggarwals, by far the most numerous Marwari caste in Calcutta, about re admitting to caste those who had gone abroad [13] Previously travel to Europe though apparently not to the Far East, crossing the black water, had been thought to render one ritually impure The Oswals had apparently experienced a similar split in the late nineteenth century The Mahesh-

[130] Charles Heimsath *Indian Nationalism and Hindu Social Reform* (Princeton N J 1964)

[131] M N Srinivas *Caste and Modern India and Other Essays* (Bombay 1962) pp 8-11

[13] Modi *op cit* pp 676 694 Barua *Birla* p 97 where Raja Baldevdas Birla backs his son Ghanshyamdas in his trip abroad against opposition within the Maheshwari caste

waris did not apparently have a clear line drawn on the issue, though it was one of the numerous points of division between the reform and conservative parties

The issues connected with marriage proved even more divisive After an Aggarwal widow remarried in Calcutta in 1927, the attendants were excommunicated by the orthodox elements The excommunicants, twelve in number, included the leaders of the reform party, none of them among the leading businessmen

The Maheshwari caste had been organized in Calcutta with its own hall and school In 1922 it split Rameshvardas Birla of Birla Bros was a Maheshwari He was a younger brother of G D Birla, who had already emerged from the First World War as a leader of the reformist party and the wealthiest Maheshwari industrialist in Calcutta When Rameshvardas Birla s first wife died he married again this time to a lady who belonged to a group called the Kolwars, whose membership in the Maheshwari caste was challenged by one party in that caste [133] If the proposed wife was indeed out of caste, it would have entailed a caste excommunication of the Birlas, and all who associated with them The Birlas mustered a majority in the Maheshwari Sabha, the pre existent caste association The dissident group who disapproved of the marriage, left the established community and founded their own Didu Maheshwari Panchayat

Besides the ethnological question itself, which was hotly debated, the struggle enabled the older established Maheshwari bankers in Rajasthan to stand out against the rising influence of the Birlas in caste affairs [134] One can assume, as with a similar struggle among the Bombay Bhatias a leading merchant caste in that city the Birla cause may well have been supported by the poorer members of the Maheshwari com munity, who saw increasing the marriage pool as a way of driving down

[133]Modi *op cit* pp 127-131 and pictures in Appendix B

[134]See Modi *op cit* *Maheshwari* (publication of the All India Maheshwari Mahasabha) February 1961 p 3 A list of anti Birla leaders can be obtained from the pictures in *Maheshwari Bandhu* the publication of the Didu Mahesh wari Panchayat The 57 persons whose pictures appear include partners and clerks of Bansilal Abirchand the leading firm in Nagpur and many older Calcutta merchants including such figures as Magniram Bangur Sukhlal Karnani and even the brothers of Ram Gopal Mohta a leading Karachi mer- chant and a reformer in his own right

I was able to inspect the 48th Number of *Maheshwari Bandhu* published on February 21 1926 The issue contains considerable documentary evidence and testimony by religious scholars directed against the Kolwars claims a

spiralling dowries[135] There seemed, on the other hand, to be concentrated opposition to the Birlas in Western U P where the Kolwar population was most heavily concentrated[136] Perhaps Maheshwaris there were disturbed by the effect of a large accretion in membership on caste institutions Perhaps the support in U P was exaggerated by the conservatives as part of their campaign

The conflict between conservatives and reformers was not limited to the religious and social fields Some of the sharpest fights emerged in the political field

Throughout the early nineteen twenties struggles raged between the progressives and conservatives for control of the Marwari Association, the community s representative body Though the conservatives were generally dominant, the progressives were able to elect Devi Prasad Khetan one of their number, secretary, in 1921 The conservatives defeated him in the next election[137] In 1923, there was a fight within the Marwari Association to determine who would represent it in the Central Legislative Assembly[138] G D Birla, backed by the progressives, lost to a group of leading *banians* to British firms in Calcutta, allied to the more conservative of the speculators such as Keshoram Poddar, and some of the leading bankers[139] These pillars of the community were generally more conservative in religion and less nationalist Birla and his followers walked out and founded the Indian Chamber of Com-

---

certain amount of general religious material denunciations of the reform party and considerable miscellaneous material Pages 743 to 750 contain cartoons attacking the reformers and Birla in particular which are included in Appendix B of this book The conservative position was not entirely negative As with all such movements the anti reformers adopted much of the style and organization of their opponents even to the extent of supporting reform and education of a self strengthening kind

I was not able to locate as good a source on the pre-Birla group Brijvallabhdas Mundhra one of its leaders gave me some indication of its dimensions in an interview in Calcutta in 1971 Besides Ram Gopal Mundhra and the Birlas another prominent leader was Kasturchand Kothari a Calcutta banker The fight seems to have burned itself out by the end of the 1930s

[135] Hiralal Lallubhai *Life and Speeches of Sir Vithaldas Thackersey* (Bombay, 1934) p 236

[136] *Maheshwari Bandhu* February 21 1926 passim

[137] Vishvambarnath Chaturvedi and R P Patodia (eds) *Anandilal Poddar Smriti Pushpa* (Hereinafter referred to as *Poddar*) (Calcutta n d) pp 113 114

[138] Barua *Chokhany* p 135

[139] Chaturvedi and Patodia *Poddar* p 136

thirties the Congress leadership felt that it was being betrayed by the country's industrialists, in the various accommodations which they came to with the government The reverse side of these accommodations was that the government was actually trying to accommodate industrial and commercial elites Important sections of the commercial leadership, particularly the Marwaris from Calcutta by and large, opposed this accommodation [115] The system of Imperial preference, developed after 1930, may even have worked to India's advantage The abandonment of the gold standard removed one traditional handicap which India as a silver currency country had faced

With the Second World War in 1939 the Congress governments disappeared The natural protection of interrupted trade routes with Europe, combined with large scale military expenditures in India, provided new business opportunities To support the Burma Front the United States and the United Kingdom stationed some one million troops in India Some businessmen made money supplying the troops, and speculating on wartime markets Others exploited the natural protection to set up a series of industries to meet domestic needs Still others made money supplying war needs by exports to the Far East and the European continent

By 1942, the British government in India was exhausted enough to foredoom its imminent departure [116] By 1945, the British firms felt insecure in face of a future dominated by nationalism and were willing to sell out, particularly to their older Indian associates Several Marwari firms bought European managing agencies Dalmia bought Govan Brothers and Bennett Coleman which owned the prominent daily, *The Times of India* Bangur bought Kettlewell Bullen Surajmal Nagarmal bought Davenport and McLeods (in jute and many other lines) Badridas Goenka bought Octavius Steel and Duncan Brothers Kanoi bought Anderson Wright

The Birlas bought Sirpur Paper and Sirsilks from the Hyderabad princely state government, and acquired other Hyderabad firms from other groups associated with the state [117] By 1952 66 European firms had been transferred to Indian ownership [118]

[115]Stanley Kochanek *Business and Politics in India* (Berkeley Calif 1974) pp 161 170

[116]Francis G Hutchins *Spontaneous Revolution The Quit India Movement* (Delhi 1971)

[117]*Commerce* September 20 1952 p 552

[118]*Commerce* November 15 1952 p 927

Those firms who were not busy buying up British firms had other fields to occupy them The salvaging of left over war material provides a good example Airlines were floated, to buy up and fly abandoned military transport planes When it became clear that this was not feasible, the capital raised was employed elsewhere [149]

Other firms, pre-eminently the Birlas floated enterprises in entirely new fields Among the larger firms the Bajaj group founded Hind Lamps in 1951 the Dalmias founded Orissa Cement in 1949 the Birlas founded a rayon firm in Gwalior in 1947, which by 1964 had become one of the largest firms in India More importantly, older Marwari enterprises expanded rapidly [150]

In the attached table we can see that whereas in 1931 the Marwaris controlled only a handful of companies, by 1951 they controlled one-sixth of the total In 1931 they represented less than 5 per cent of the Directors of these companies, in 1951 they supplied almost one half

Table 6

MARWARI AND EUROPEAN CONTROL OF THE ECONOMY

	Companies Controlled		*Directors*	
	1931	*1951*	*1931*	*1951*
European	416	372	1 335	865
Marwari	6	96	146	618
Total	510	619	2 282	2 622

SOURCE B B Misra *The Indian Middle Classes* (London 1961) p 250

The newly independent Indian government provided support for new enterprise, both by a policy of almost total protection and by helping with the extension of credit India s accumulated foreign exchange

[149] The major item in the Bose commission report referred to one such enterprise Ministry of Commerce and Industry Dept of Company Law Administration *Report of the Commission of Enquiry on the Administration of the Dalmia-Jain Companies* (New Delhi 1963) The Birlas also floated a major airline

[150] Thomas A Timberg *Industrial Entrepreneurship Among the Trading of India How the Pattern Differs* (Cambridge Mass 1969)

credits from the war years permitted extensive foreign exchange expenditures, for new investment After 1951 these foreign exchange resources were used up The lack of foreign exchange for consumption imports led to a domestic market starved of consumer goods, to which the products of new factories could be sold Further, the series of five year plans starting in 1951 provided considerable impetus to the private sector, both in the form of direct credit and in the stimulation provided by large scale government investment Capital Issues and Foreign Exchange Control, though potentially restrictive measures, were coped with easily by Indian firms

A new generation of businessmen among them many Marwaris, who had been schooled in their tentative enterprises of the 1920s and 1930s, now sprang forth to exploit the opportunities provided Whereas foreign firms had formerly exported their high technology goods to India, or opened subsidiaries there, these new businessmen negotiated agreements of collaboration and established joint ventures Not content with meeting the multinationals at their own door, the new business men have been major figures in expanding India s exports of engineering goods and in joint ventures with foreigners [151] Again this includes Marwari groups, the Birlas and Singhanias pre-eminent among them

An idea of the range of Marwari enterprise may be gained by surveying the Companies page of the *Economic and Political Weekly* of Bombay On December 24 1974 one of the four firms surveyed was Marwari controlled The Bangur s West Coast Paper announces a proposed expansion of its newsprint capacity, and an increase in actual production from 43 to 50 thousand tons over the year On October 19 one of seven firms surveyed is Marwari owned J K Synthetics, a Singhania firm, announces an expansion of its synthetic fibre plant and its nylon tire cord factory It also announces a collaboration with a West German firm to supply synthetic fibre production machinery for a new Indian petrochemicals factory The firm is also apparently planning a factory in Kenya The research section has developed several newly patented processes and products On January 11, 1975 two Birla firms Sirpur paper and Hyderabad Allwyn are discussed out of a total of six firms Allwyn we find is already manufacturing a variety of fabricated metal products, including stoves and refrigerators and is planning a subordinate venture to manufacture motor scooters

[151]Conversations with Pramod Malhotra Washington 1975

Essentially the period from 1951 to 1962 might be described as the Golden Age of Indian private capital Industrial production increased at a rate of roughly 9 per cent a year and the production of certain commodities even more rapidly The assets of business houses, among them Marwaris, expanded *pari passu*

The mobile Marwaris were in the swim of this development among the fastest growing The faster growth, at least in the initial period, may have been assisted by the preferred political access they may have had, as former supporters of the nationalist movement It most certainly was assisted by a superior willingness and ability to work with the new political institutions as they were[152] Several observers noted the greater willingness on the part of the Marwari business leaders to work with the Congress governing institutions[153]

The rapid growth of Marwari groups continued Much of this was simply a working out of the apparatus of capital accumulation which large scale business is Other enterprises were the result of the shifting of yet more and more capital into manufacturing fields[154] Equally, a commitment to industrial expansion to the exploration of new lines of industry seems to have characterized this growth Critics even refer to a pre emption of promising lines of development

The larger Marwari firms as well as other larger firms grew rapidly According to R K Hazari, Birla inner circle firms increased until they accounted for 5 36 per cent of the gross capital stock of non-government companies Dalmia Sahu-Jain companies rose in the same period from 2 12 per cent to 2 68 per cent of that capital stock[155]

These large Marwari companies have continued to rely heavily on internal financing in marked contrast to some other large groups like the Tatas However they have expanded by associating themselves with a whole raft of new groups, often owned by their former mana gers In the case of the Birlas these associated firms include the old

[152]Stanley Kochanek *op cit* pp 33 102 188 191

[153]See note 152 supra

[154]One study of this mechanic is Aurobindo Ghosh s three articles in the *Economic and Political Weekly*

I— Investment Behavior of Monopoly Houses

II— Economics of Pre-Emption (Nov 2 1974) pp 1868-1876 and

III— Time Profile of Fixed Investment and Other Implications of the Structure of Investment Decisions (Nov 9 1974) pp 1911-1915

[155] R K Hazari *The Corporate Private Sector* (Bombay) pp 19 20

firm G D Kothari the children of their former attorney and associate, the Khaitans the Kanorias their in laws and political associates, the Mohtas of Karachi and others It is possible that similar groups will emerge from their present top executives, the Saboos, and D P Mandelia The Bangurs have an old association with the family of G D Somani

Of 151 companies listed by the Monopolies Inquiry Commission for the Birla group less than 20 predate 1945 In the case of the Birlas most of these enterprises were formed *de novo* Almost all the Bangur and Dalmia Jain enterprises postdate 1940 All of the Jatia and Goenka enterprises were purchased after 1945 [156]

In the Calcutta phonebook about one half of the manufacturing listings are in fact Marwari—most of these small and recent creations

The identity which determined this rapid commercial expansion as that which determined the political and social character we shall treat next had little to do with the community *per se* It had much more to do with the type of enterprise in which they were engaged, and with the business generation to which they belonged

The Marwaris continued their transition from trade to industry and to expand their industrial interests

Political and Social Transformation

Over the period since Independence the Marwari community has continued to go through radical transformation The education level has risen dramatically as university and even professional degrees have become the norm for business managers The younger generation of Marwaris has adopted more fully the Anglo Indian way of life of the rest of the business elite the exclusive clubs and schools a more Western and luxurious style of living, and even diversions such as golf and horse racing (though this seems to have been an early acquired taste) To some extent this new life style still occurs in specifically Marwari institutions but even here communal barriers have been declining

Politically the major Marwari firms have continued to belong to that segment of the Indian business community which has sought accommodation, rather than confrontation with the sometimes anti business policies of the ruling Congress government There seems to have been some deviation from this pose in 1967 and more so in 1971 when the Birlas opposed Mrs Gandhi on several fronts but it is pro-

[156] MIC *op cit*

bable that we were dealing here with a passing phase The bulk of Marwari business support seems to have returned to Mrs Gandhi As Stanley Kochanek says in his account of the internal politics of the Federation of Indian Chambers of Commerce and Industry (FICCI)—the major Indian business organization

> the supporters of the system [were] concentrated in the traditionally pro-Congress Party Marwari industrial elite These businessmen preferred to view the manifold difficulties of the system as temporary and worth countenancing, because they believed that only the existing parliamentary system of government could keep the country united and the government responsive a presidential system on the other hand, would lead to a dictatorship which in turn, would result either in the disintegration of the country or a Communist takeover[157]
>
> the more managerially oriented British, Parsi, and Gujarati firms disagree fundamentally with the family dominated Marwari groups over such critical issues as business ethics, strategies of dealing with government and political philosophy[158]

This difference was manifested in 1962 when Tatas and Mafatlals, two large non Marwari firms, withdrew from FICCI, when S P Jain, its then President refused to resign This was despite the aspersions cast on his relative and former business associate Ram Krishen Dalmia, in the Bose committee report of that year Jain contended that the alleged misdeeds had occurred after the dissolution of his business ties with Dalmia Tata and Mafatlal felt that in order for business to put a strong face forward, Jain should resign

Socially the Marwari firms are still largely familistic and traditional but they have been moving fairly rapidly in the direction of more modern management techniques Their young executives are now typically graduates of Masters of Business Administration or Engineering Programs They leave more and more of their affairs to professionals The major managers for sales production and so forth are now professional and move from firm to firm with considerable ease For Indian business as a whole, as Sagar Jain has shown, post graduate education is now a managerial norm[159]

[157]Kochanek *op cit* p 33
[158]*Ibid* p 102
[159]Sagar Jain *Indian Manager His Social Origin and Career* (Bombay 1971)

Even the traditional firms have been able to engage in highly sophisticated enterprises, by a careful use of traditional ties and accounting procedures such as emphasis on cash flow—they accommodate personnel needs by training relatives and community fellows to fill posts, or redefining roles so that outside personnel could be employed They do this without relinquishing final financial control

One informant compared the role of these head offices of the Marwaris with that of the head office of an American conglomerate The daily and monthly financial statements are monitored As long as an adequate return is maintained nothing is done If the firm starts slipping an escalating series of inquiries may be followed by a visit from a trouble shooter and perhaps finally by a shake up of the management [160]

As in the earlier period the expansion of the firm has been followed by a social transformation to match it

CHAPTER IV

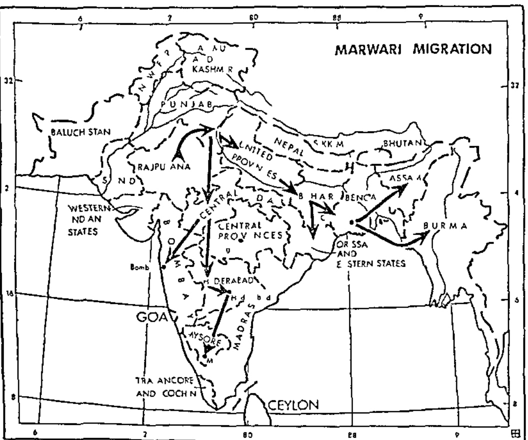
Marwari Merchant Migration A Survey and Discussion of the Relevance of Theory

As I indicated in the second chapter, the first stage of the Marwari rise was their migration Thousands of merchant caste members from the northwestern states of Rajasthan (Bikaner, Jaipur, Jaisalmer, and Jodh pur) moved east and south We can trace the details of the migration in two sources the census data from the regions concerned, and in the histories of individual Marwari firms It is these data which are surveyed in this chapter

The census data are first presented in summary form, to be followed by a theoretical discussion of the Marwari migration My data show that the Marwari migration has several peculiarities stemming from its mercantile nature, which affect its various parameters as well as the applicability of the general theory of migration The next section, The Homeland, demonstrates the extent to which the general theory ex plains the pre migration disposition of the Marwaris The final section uses the data gained from a sample of family and firm histories, to reout line the actual details of migration To some extent this reoutline dupli cates the historical data in Chapter III, but is justified by indicating some of the data on which the conclusions about the migration are based It reemphasizes the specific applicability of the theory of migra tion just developed

The Migration Census Data

The censuses were only conducted in sufficient detail after 1881, and thus do not permit us to follow most of the actual Marwari migrations themselves which occurred before that date After 1881, they do give one a good picture of the location and relative size of different segments of the Marwari migrations They give a picture of the Marwari *diaspora* To judge the size of the Marwari migration there are various possible census statistics I could have used The place of birth tables, however,


MARWARI MIGRATION
KASHM R
PUNJAB
BALUCH STAN
RAJPU ANA
UNITED
PROV N ES
NEPAL
BHUTAN
ASSA
BENGA
BURMA
CENTRAL
CENTRAL
PROV NCES
OR SSA
AND
E STERN STATES
WESTERN
ND AN
STATES
Bomb
GOA
H DERABAD
MYSORE
MADRAS
TRA ANCORE
AND COCH N
CEYLON

are generally recognized as more accurate than the caste or language tables It is those place of birth tables on which I will rely Tables 6-A and 7 set out figures from those tables, showing those born in Rajputana, the name for the political unit which covered most of present-day Rajasthan

Marwari communal leaders contend that because they were migrants, Marwaris were often undercounted in the censuses [1] Many of them lived in and around the shops in which they worked, or on the census night would be on the road somewhere and be missed by the counters The member of the state legislature from the Bara Bazaar constituency, which is the Marwari stronghold in Calcutta, contends that his district even today has a far higher population than the census records [2] However, even a serious difference in enumeration would not necessarily affect the relative distribution of Marwari population, which is the most relevant datum in the present context

Since the major migration of women occurred much later than that of men, it seems likely that most Marwari migrants as late as 1921 were actually born in Rajasthan Women remained at home in Rajasthan, and Marwari children were thus likely to be ' born in Rajasthan, whatever their father s domicile Place of birth tables would thus show most Marwaris as ' born in Rajasthan '

In the cases of Marwaris in Eastern India, the Central Provinces, Madras, and Hyderabad, more than half of the migrants from Rajasthan belonged to the commercial castes The adult members of these castes were almost exclusively engaged in business In the detailed break downs for Calcutta and Bombay, percentages of 50 per cent or more commercial ca te members are shown [3] It seems likely that the actual percentage of commercial caste members throughout these regions was closer to the 80 90 per cent, shown in a privately conducted census of Marwaris in Orissa in 1945 [4] In the case of Bombay, the Central Indian Agency, the United Provinces, and the Punjab, more than half of the migrants are accounted for by the border districts of Rajasthan These figures include all sorts of short range movements connected with edu

[1]H A Milman 'The Marwari *op cit*, p 29

[2]R K Saraogi Interview in Calcutta 1970

[3]*Census of India 1911* Vol VI *City of Calcutta* Part II pp 32 55 *Census of India, 1911* Vol VI *Bombay* Part II *Imperial Tables* p 216 *Census of India* 1931 Vol IX *The Cities of the Bombay Presidency* Parts I and II by T H Sorley (Bombay 1933) pp 192 193

[4]Bhairav Nandvani *Orissa aur Marwari Samaj* (Cuttack, 1945)

cation, marriage and so forth, which really form an entirely different phenomenon than a merchant migration Less than half the birth tables for these areas, on which Table 6-A relies, would then represent members of commercial communities

Table 6-A

NUMBER OF MARWARI MIGRANTS

Number Born in Rajasthan 1961

Andhra Pradesh	12 000	Mysore	13 000
Assam	22 000	Orissa	5 000
Bihar	30 000	Punjab	204 000
Gujerat	151 000	Uttar Pradesh	124 000
Madhya Pradesh	280 000	West Bengal	64 000
Madras	10 000	Delhi	94 000
Maharashtra	117 000		

SOURCE *Census of India 1961* Vol I: India Part II C (iii) *Migration Tables* (New Delhi 1961)

Population Born in Rajasthan in Thousands

	1881	1891	1901	1911	1921	1931
East India						
Bengal				37	18	33
Bihar	6	17	41	15	17	21
Assam	2	5	9	12	16	22
Burma	—	1	1	1 8	3 4	1 9
West and Central India						
Bombay		114	132	141	126	108
Central Provinces*	19	22	27	56	43	52
Central India	138	238	173	174		
South India						
Madras		1 2	1 5	1 5	1 4	
Hyderabad		19	14	14	8	7
Other						
United Provinces		128	127	103	68	82
Punjab		209	269	247	151	199

SOURCE *Report of the Census of British India* taken on February 1881 (London 1883) Vol I p 221 and Vol II

Census of the City and Island of Bombay 1881 by T S Weir (Bombay 1883) pp 64-65

Report of the Census of the Town and Suburbs of Calcutta 1881, by H Beverly (Calcutta 1881) p xxxix
Census of the Central Provinces 1881 by T Drysdale (Bombay 1882) Vol I passim
Report of the Census of Assam for 1881 (Calcutta 1883)
Report of the Census of Berar, 1881, by Eustace V Kitts (Bombay, 1882) p 172
Census of India 1911, Vol I Part I Report by E A Gait (Calcutta 1913), p 104
Census of India 1921 Vol II Tables by J T Marten Part II (Calcutta, 1921) Table XI pp 111 113
Census of India 1931 Vol I Part I Report by J H Hutton (Delhi 1933) pp 74-75
After 1911, the population of Berar is included

Table 7

MAJOR CITY MARWARI POPULATION

Population Born in Rajasthan in Thousands

	1901	1911	1921	1961
Calcutta	14	15	—	36
Bombay	7	12	20	52
Hyderabad	1	6	4	—
Kanpur	3	—	3	—

SOURCE *Census of India 1901* Vol II *Calcutta Town and Suburbs* Part III *Tabular Statistics* (Calcutta 1902) p 52 Vol IV *Bombay (Town and Island)* Part IV *Tables* by S M Edwardes (Bombay 1901) pp 88 119 Vol XVI *North West Provinces and Oudh* Part II *Imperial Tables* (Allahabad 1902) Table XI and XIII
Census of India 1911 Vol VI *City of Calcutta* Part I *Report* by L S S O Malley (Calcutta 1913) p 15 Vol VII *Bombay Hyderabad State* Part II *Tables* (Secunderabad 1913) pp 107-118
Census of India 1921 Vol VI *City of Calcutta* Part I *Report* by W H Thompson (Calcutta 1923) Vol IX *Cities of the Bombay Presidency* Part I *Report* by L J Sedgwick (Poona 1922) p xcvi Vol XXI *Hyderabad State* by Mohamed Rahmatulla (Hyderabad 1923) *Tables* p 103 Vol XVI *United Provinces of Agra and Oudh* Part II *Imperial Tables* by E H H Edye and W H Tennant (Allahabad 1923) pp 198 and 173
Census of India 1961 Vol II *West Bengal* 1961 (Calcutta) p 467 Vol X *Maharashtra* Part II pp ccu *Migration Tables* (Delhi 1966) p 23
This only counts the migration from Jaipur and Bikaner states which should constitute the bulk of the total

cation, marriage and so forth, which really form an entirely different phenomenon than a merchant migration Less than half the birth tables for these areas, on which Table 6 A relies, would then represent members of commercial communities

Table 6-A

NUMBER OF MARWARI MIGRANTS

Number Born in Rajasthan 1961

Andhra Pradesh	12 000	Mysore	13 000
Assam	22 000	Orissa	5 000
Bihar	30 000	Punjab	204 000
Gujerat	151 000	Uttar Pradesh	124 000
Madhya Pradesh	280 000	West Bengal	64 000
Madras	10 000	Delhi	94 000
Maharashtra	117 000		

SOURCE *Census of India 1961* Vol I India Part II C (iii) *Migration Tables* (New Delhi 1961)

Population Born in Rajasthan in Thousands

	1881	1891	1901	1911	1921	1931
East India						
Bengal				37	18	33
Bihar	6	17	41	15	17	21
Assam	2	5	9	12	16	22
Burma	—	1	1	1 8	3 4	1 9
West and Central India						
Bombay		114	132	141	126	108
Central Provinces*	19	22	27	56	43	52
Central India	138	238	173	174		
South India						
Madras		1 2	1 5	1 5	1 4	
Hyderabad		19	14	14	8	7
Other						
United Provinces		128	127	103	68	82
Punjab		209	269	247	151	199

SOURCE *Report of the Census of British India* taken on February 1881 (London 1883) Vol I p 221 and Vol II

Census of the City and Island of Bombay 1881 by T S Weir (Bombay 1883) pp 64-65

Report of the Census of the Town and Suburbs of Calcutta 1881, by H Beverly (Calcutta 1881) p xxxix
Census of the Central Provinces 1881 by T Drysdale (Bombay 1882) Vol I passim
Report of the Census of Assam for 1881 (Calcutta 1883)
Report of the Census of Berar 1881, by Eustace V Kitts (Bombay 1882) p 172
Census of India 1911, Vol I Part I Report by E A Gait (Calcutta 1913) p 104
Census of India 1921, Vol II Tables by J T Marten Part II (Calcutta 1921) Table XI pp 111 113
Census of India 1931 Vol I Part I Report by J H Hutton (Delhi 1933) pp 74–75
After 1911 the population of Berar is included

Table 7

MAJOR CITY MARWARI POPULATION

Population Born in Rajasthan in Thousands

	1901	1911	1921	1961
Calcutta	14	15	—	36
Bombay	7	12	20	52
Hyderabad	1	6	4	—
Kanpur	3	—	3	—

SOURCE *Census of India 1901* Vol II *Calcutta Town and Suburbs* Part III *Tabular Statistics* (Calcutta 1902) p 52 Vol IV *Bombay (Town and Island)* Part IV *Tables* by S M Edwardes (Bombay 1901) pp 88 119 Vol XVI *North West Provinces and Oudh* Part II *Imperial Tables* (Allahabad 1902) Table XI and XIII
Census of India 1911 Vol VI *City of Calcutta* Part I *Report* by L S S O Malley (Calcutta 1913) p 15 Vol VII *Bombay Hyderabad State* Part II *Tables* (Secunderabad 1913) pp 107-118
Census of India 1921 Vol VI *City of Calcutta* Part I *Report* by W H Thompson (Calcutta 1923) Vol IX *Cities of the Bombay Presidency* Part I *Report* by L J Sedgwick (Poona 1922) p xcvi Vol XXI *Hyd rabad State* by Mohamed Rahmatulla (Hyderabad 1923) Tables p 103 Vol XVI *United Provinces of Agra and Oudh* Part II *Imperial Tables* by E H H Edye and W H Tennant (Allahabad 1923) pp 198 and 173
Census of India 1961 Vol II *West Bengal* 1961 (Calcutta) p 467 Vol X *Maharashtra* Part II pp ccii *Migration Tables* (Delhi 1966) p 23
This only counts the migration from Jaipur and Bikaner states which should constitute the bulk of the total

Most Marwaris in the regions of immigration were born in Rajasthan, and most of those recorded as born in Rajasthan were members of commercial castes These place of birth figures should therefore cover the bulk of the Marwari migrants in whom I am interested, and relatively few others

The more recent census data are hard to compare to the earlier ones In the first place, the actual provincial lines have been changed The procedures for taking the census have been changed materially affecting the count of Marwaris Businessmen on trips are now to be enumerated at their normal place of domicile Secondly, more Marwaris have brought their families out of Rajasthan, and are having their children in their new domiciles Finally, military service brings many non-mercantile Rajasthanis to the far ends of the country

But by any measure the figures reflect a dramatic increase in migration since all except the last factor should reduce the number of Marwaris recorded, and the figures in fact show a dramatic increase

The dramatic commercial growth in the country and the prosperity of the Marwari community has been an incentive in increasing the level of outmigration from Rajasthan

Merchant Migration as a Category

The category of merchant migrations has not been studied to any considerable extent The attention of demographers has been turned instead to mass migrations of laborers, or of whole nationality groups The only relevant literature is the little empirical work which has been done on the Chinese and Jewish mercantile *diasporae* [5]

Both in its parameters and in its impact the merchant migration is sharply differentiated from labor or nationality group migrations It is

[5]The literature on the Chinese in Southeast Asia indicates that they became merchants after their arrival there See A Simoniya *Naselenie Kitaiskoi Natsionalnosti v stranax yugo-vostochnoi A ii* (Moscow 1959)—translated as *Overseas Chinese in Southeast Asia—A Russian Study* (Ithaca 1961) The more standard accounts of the Chinese are Victor Purcell *The Chinese in Southeast Asia* (Cambridge England 1951) and G W Skinner *Chinese Society in Thailand* (Ithaca N Y 1957) Weng Kwong han *Essai sur L Immigration Chinoise in Insulinde* (Paris 1937) addresses some general anthropological issues An explicitly entrepreneurial study is James C Jackson *Planters and Speculators Chinese and European Agricultural Enterprise in Malaya* 1786 1921 (Kuala Lumpur 1968) W E Willmott *The Political Structure of the Chinese Community of Cambodia* (London 1970) has an excellent bibliography pp 193 199

normally selective and voluntary It typically involves small numbers On the other hand, nationality group migrations are often involuntary The various forms of mass migration involve large groups of people

Their transport itself is a major difficulty Mercantile immigrants are typically few in number and trickle in, feeling out their new situation Their transport does not require any special or complex arrangements They do not threaten to overwhelm the indigenous population culturally or politically Their action is incremental One merchant when once well established, calls his friends and relatives from his homeland to assist him as employees, or to avail of the opportunities he has found as competitors

The general theory of migrations applies thus only roughly to the Marwari case, since it was devised primarily to characterize the vast European migrations of the nineteenth century It described mass migrations, and not the selective migration of shopkeepers and business men This general theory of migrations may best be presented as a series of generalizations In the next section it will be our task to indicate to what extent these generalizations are likely to apply to the Marwari case

Parameters

It will perhaps help to look at the Marwari migration in terms of five

---

On the other hand the Indian migrant merchants to Africa and Southeast Asia were often merchants at home Kingsley Davis *The Population of India and Pakistan* (Princeton 1951), p 233 has a short piece on Indian merchants in Africa and Southeast Asia simply noting their greater ability than local traders and their greater accessibility for the Indian contract laborers and the indigenous population than Europeans Further information on the Indian *diaspora* is contained in several Oxford University Press publications N K Chakravarti *The Indian Minority in Burma The Rise and Decline of an Immigrant Community* (London 1971) Adrian C Mayer *Indians in Fiji* (London 1963) especially pp 35 and 58 59 J S Mangat *History of the Asian in East Africa 1S9 1965* (Oxford n d) R Gregory *A History of Race Relations with in the British Empire 1890 1939* (Oxford 1971) Other sources include Hara prasad Chattopadhyaya *Indians in Africa Socio-Economic Group* (Calcutta 1957) H S Morris *The Indians in Uganda* (Chicago 1972) Floyd and Lillian Dotson *The Indian Minority in Zambia Rhodesia and Malawi* (New Haven 1968) and Indira Rothermund *Die Politische und Wirtschaftliche Rolle der Asiatischen Minderheit in Ostafrika* (Berlin 1965) See also Willem Wertheim The Trading Minorities in Southeast Asia in *East West Parallels Sociological Approaches to Modern Asia* (Chicago 1965)

major parameters quantity, timing destination degree of commit ment, and selectivity The meanings of quantity, destination and timing should be clear as applied to a migration, but the other two parameters require some further explanation

D gree of Commitment

The degree of commitment reflects the depth and kind of commit ment to emigration from the home region, and to individual regions of immigration As a rough measure most observers first use descriptions of the period of time for which emigration or immigration is under taken (permanent, semi permanent, short term, periodic, fixed term or goal) Permanent migrants make one move to one destination and remain there Semi permanent migrants make a move to one place where they stay for a long period, usually their entire working life *Short term migrants move to an area for a few years, and then return* to the homeland Periodic migrants move back and forth between the homeland and the area of immigration Fixed term or goal migrants stay in an area of migration for a fixed term of years or until some goal is obtained such as a university diploma

The periods of commitment apply to different facets the period for which emigration away from home is undertaken, and the period for which immigration is undertaken in a given city To the extent the two dimensions are equivalent, the case b comes trivial since the same term describes the migrant both as emigrant and immigrant

To understand the relations between emigration and immigration one may use the following chart The X indicates that the period of emigration and immigration coincide i e the immigrant remains in one and only one city of immigration The — indicates that the combination is logically impossible The number 1 refers usually, to the trivial case of the migrant who retires to an area other than his homeland, i e a Marwari who retires after a life of work in Calcutta to Benares rather than to his home in Shekhavati The number "2 refers to migrants who move back and forth between various areas of immigration cyclically The most usual example are migrant agricultural workers who complete an annual circuit Merchants may also observe a circuit of a regular sort between entrepot towns and various regions where harvesting or sowing is going on This periodic merchant migra- tion is not the dominant form of merchant migration, or rather is sub- ordinate to the major phenomenon I want to study It is not traceable in any of my data

Period of Emigration	*Perm*	*Semi Perm*	*Periodic*	*Short Term*	*Fixed Term*
Period of Immigration					
Permanent	X	—	—	—	—
Semi Permanent	1	X	—	—	—
Periodic	2	2	X	2	2
Short Term	3	3	3	X	—
Fixed Term	4	4	3	3 4	X

Key 1 Retire to Different Place 2 Oscillating Migration 3 Shifting Migration 4 Submigration — Impossible X Identical

The number "3 refers to the common case of movement from one place of immigration to another Marwari emigrants for example differed from many others because of the frequency with which they shifted their locus, according to the imperatives of their commercial advancement Under this heading I differentiate between different types of relations between the shifting points of immigration They may be hierarchically related, either by their serial order on the route from the homeland or by their relative economic importance Or they may be randomly related, reflecting a policy of rotation in the service of a large firm or change shifts of economic activity The number 4 , submi gration, again refers to a trivial case, where one or several short term or fixed migrations are made perhaps for performing specific commercial missions The same disclaimer as in number 2 would apply

The dominant pattern of Marwari emigrations was of the semi-permanent career' sort Marwaris normally moved out in their early youth, and remained as emigrants, except for vacation trips, until their retirement Some of the early migrants used to extend their vaca tion trips to the point that they may more properly be considered perio dic migrants Some of the latest migrants retired in Calcutta and can be considered permanent migrants Perhaps we can visualize the entire

SHEKHAVATI REGION

PUNJAB

BIKANER

JAISALMER

MARWAR OR JODHPUR

Kuch

Jaipur

72 74 76 78

century, 1850 1950, as an evolution of Marwari migration patterns from periodic to permanent

The classical formulations on migration might state this develop ment in terms of the changing relationship between a stream of migra tion and its counter stream I think my phrasing is superior in this case [6]

In their regions of immigration the Marwaris largely appeared as shifting migrants, successive generations shifted from place to place along the major trade routes As Ravenstein formulates this process

> There takes place consequently a universal shifting or displacement of the population, which produces "currents of migration, setting in the direction of the great centers of commerce and industry which absorb the migrants [7]

Aside from the factor of increasing physical distance it is not clear what hierarchical relations the various places of immigration had to one another In certain regions there was a definite radiation out from larger towns in other regions, firms moved from smaller to larger places as they prospered In the most recent stage, since 1900 there is no doubt that a recompression has occurred along with better transport and the centralization of produce markets all over India More prosperous Marwari firms have shifted their focus of operations to the larger towns In Shekhavati, one of the Marwari homelands itself, I also observed a shift toward the larger towns, reflecting imperatives of consumption rather than of accumulation

Selectivity

In explaining its selection process the Marwari migration fits the general theory of migration best The initial migrants were mostly young, adult males at the time of their migration The fact that semi perma nent, selected migrants are young, at the beginning of their career cycle seems to be almost universal The overwhelmingly adult and male nature of the initial Marwari migration is the rule as far as migrants of a selective and voluntary sort in Asia and Africa are concerned In these areas joint families exist in the home area in which wives

[6]E G Ravenstein The Laws of Migration *Journal of the Royal Statistical Society* XLVIII (June 1885) p 199 cited in Everett Lee A Theory of Migration p 283 ed J A Jackson *Migration* (London 1969)

[7]Ravenstein *op cit* p 198 in Jackson *op cit* p 283

and children can be cheaply maintained

At a later stage women joined the migrants, particularly after 1905 and the first rail lines into Shekhavati This follows a generalization suggesting such a sexual differentiation is a characteristic of migration [8]

Theory of Migration

The generalizations of the theory of migration indicate factors that should influence the timing, existence and destination of the Marwari migrants These generalizations are all of them refinements of the observations that people go from where their opportunities are limited to where they are greater [9]

Basing himself on the internal British experience, Ravenstein states in his classic article

> Bad or oppressive laws, heavy taxation, an unattractive climate uncongenial social surroundings, and even compulsion (slave trade transportation) all have produced and are still producing currents of migration, but none of these currents can compare in volume with that which arises from the desire inherent in most men to better themselves in material respects [10]

It was clearly voluntary acceptance of the economic opportunity that predominated in the Marwari case Concretely, the barren fields of Rajasthan once their princely regimes and prosperous trade routes declined did not present attractive opportunities for commercial agri culture and trade People who were functionally specialized in trade

[8]D J Bogue Techniques and Hypotheses for the Study of Differential Migration (International Population Conference [1961] paper 114 cited in Jackson *op cit* p 63)

[9]Much of the literature on migrations such as MaxSorre *Les Migrations des Peuples Essai Sur la Mobilite Geographique* (Paris 1955) and Louis Dellot *Race and Human Migration* (N Y 1964) is concerned with typology I rely heavily here on Julius Isaac *Economics of Migration* (London 1947) and Jackson *op cit* especially the introductory article by Jackson Migration—editorial introduction pp 1-10 and Everett Lee A Theory of Migration pp 282 297

[10]E G Ravenstein The Laws of Migration *Journal of the Royal Statistical Society* 52 (June 1889) p 286 (Also reprint No S-483 in the Bobbs Merrill Series in the Social Sciences) quoted in Jackson *op cit* p 283 Similarly Isaac *op cit* p 23

thus moved to other areas where the terrain could sustain an exportable surplus of opium, jute, cotton, or wool As new opportunities opened, as in the development of Assam and Malwa, Marwari businessmen rushed to take them up Elsewhere where opportunities were absent, or competition potent, as in Bombay, they moved less rapidly

The generalization that populations move in response to differentials in economic opportunities, and away from political disorder, is amply illustrated by the Marwaris[11] The Marwaris moved out of Rajasthan in response to a dearth of opportunity there, and newly opened opportunities for trade in the rest of India They moved especially to those areas which formed, so to speak, a commercial vacuum whose indigenous population were neither well organized enough, nor provided with the other requisites, to exploit the new trading opportunities opened up by the British conquest

The general theory contains, in fact, a general link of innovation and change and migration Again to quote Ravenstein

> An increase in the means of locomotion and a development of manufacture and commerce have led to an increase of migration[12]

The establishment of British power (1756 1803) furnished the conditions for the Marwari migration On the one hand, it caused the decline of their older fields of activity in financing the warring princely states and trading along Rajasthan s caravan routes On the other, it opened new opportunities to serve as intermediaries in the new foreign oriented commerce that the British were developing On the one hand, the British imposed all sorts of discriminations against businesses based in the princely states of Rajasthan On the other they provided relative security of property to those based in British India Most dramatically, the British impact was to cause the decline of former centres of political power and the rise of new commercial ones and to shift the trade routes on which merchants perforce must live

The changing nature of available opportunities illustrates how the Marwaris conform to the general statement about migrations, from regions of low to high opportunity The impact of discrimination and security of property show the possibilities for state policy to effect

[11]Isaac *op cit* pp 23-33
[12]Ravenstein *op cit* p 288 cited in Jackson *op cit* p 283

migration The shifting of routes and the varying fates of cities reflect two other points made by general theorists on migration

Ringing Out the Old Ringing in the New

The British conquest curtailed many traditional avenues of Marwari endeavour the financing and servicing of Indian princely courts (their potential now diminished by British power), the entrepot trade in Rajasthan (now cut off from its markets by British established customs barriers), and trade in Indian manufactures (driven out by British competition) The last point is a highly controversial one, and the object of a considerable polemic over the last few years among Indian economic historians It seems profitless to recite the debate here since in any case the goods involved would have been a small part of the Marwari businessmen s activity

At the same time the British needed to find experienced intermediaries as their agents, to supply their armies and to help in the conduct of government finance The expanding market demanded the provision of credit to craftsmen and peasants, and British rule provided an opportunity to secure this credit against land Increased physical security gave additional assurance to moneylenders and traders, that they would be able to see the fruits of their ventures

The Marwaris with some capital a wide re ource group on which to draw for credit, and a high level of commercial skill were among the obvious candidates for the roles opened up by the British

Security and Concessions

As one expression on the negative potential of government policy says, Maladministration may lead to high and unproductive taxation currency manipulation, default on external issues loss of confidence, and an undue lowering of the general standard of living [13] In the case of Rajasthan, the warring princes put the security of businessmen s person and property in jeopardy [14] Some of the firms located there

[13] Isaac *op cit* pp 39 40

[14] Pavlov Ocherk Deyatel nosti Torgovstev i Rostovstev v Kolonialnoi Indii pp 105 110 Powlett *The Ga etteer of Bikanir State* (Calcutta 1874) p 88 National Archives of India Thoresby Notes on a Tour Commencing at Manaharpur March 3 from Jaipur Foreign and Political 37 10 May 1841 p 24 See documents 1200 756 and 1287 800 in the Jaipur Potikhana about a theft of Rs 35 000 from the Ramgarh office of the Seth Gur ahaymal a forebear of the owners of Tarachand Ghanshyamdas which firm I describe in Chapter V Barua *Mai Meri Marwari Samaj ko PyarKartaa Hun* pp 82 88

tried to adjust to the insecurity by developing islands of autonomy, like the 'merchant city states in Ramgarh and Phalodi, which are described later Most opted for the greater security of British India Indirectly the lower taxation introduced by the British in some areas like Maharashtra created a surplus with the peasantry on which a trade could be based

This physical insecurity in Rajasthan particularly affected those in state service and state banking In a couple of prominent cases, a feud with a princely employer seems to have precipitated a given family s migration out of Rajasthan

Positive encouragement by government to migrants was not limited to British India A few princely states, like Gwalior and Indore, also offered tax and loan concessions, and various personal immunities to lure businessmen to their areas Favored merchants in pre World War I Bikaner had access to five million rupees of state funds which were placed in *hundis*, bills of trade issued by indigenous bankers In their home fiefs in Shekhavati, merchants were granted social prestige by the ruler visiting them They were granted gold anklets and substantive privileges in the way of exemption from customs, search and seizure and even criminal processes They were granted state convoys for their goods and charters for charitable enterprises like schools

New Routes and Markets

New trade routes have always been key incentives for mercantile migration

> The centre of gravity of world trade has shifted since the sixteenth century from the Mediterranean to the Atlantic Trading centres such as Venice Pisa and Florence lost importance and wealth, and enterprising people living there were induced to immigrate [15]

Just so the decline of traditional routes through Rajputana and Cutch, and the growth of Bombay and Calcutta ports, caused movement from the older routes to the newer ports The overland trade routes which had gone through the Punjab and Rajasthan were replaced, first by riverine, then by rail routes, stretching up the Ganges valley from Calcutta and out from Bombay in various directions This forced

[15] Isaac *op cit* p 39

those who had been trading along one route to shift to another[16] This shift was aided by the fact some of the new routes extended to areas in which Marwari businessmen were already settled such as Malwa

The shift of routes was accelerated by customs barriers imposed by the British in India—which made businessmen wish to shift their centres to the the port side of the barriers, rather than cross the barriers as they moved their goods down river As Tod notes, if the products of the salt lakes of Rajputana were preferred, even at Benares, to the sea salt of Bengal, high import duties excluded it from the market [17] Tod in 1832 saw that the establishment of British rule forced the Marwaris to pick up goods at the ports of Calcutta and Bombay if they were to make a profit, rather than wait for someone to bring the goods to Pali or Churu in their homelands *The Rajasthan Gazetteer of 1879* makes the same point about the effect of the shift of the focus of trade from inland to the port cities [18]

Initially the larger merchants such as the Daddas of Phalodi, the Poddars of Ramgarh, and the various banking firms of Bikaner remained at home sending their agents to see to their affairs in the port cities Gradually the importance of port city trade increased so much that either the homebound proprietors receded in importance, or they joined the scramble at the spot where spoils were distributed

The alignment of transportation routes seems to have determined not only the timing but also the direction of flow of migrants Shekhavati, 200 miles from Delhi was obviously a more important source for migration to the east than the western or southern areas of Rajasthan

Changes in the importance of various commercial lines also influenced Marwari migration The decline of the Ganges river ports like Mirzapur and Farrukhabad after the construction of the railway from Delhi to Calcutta in the 1860s led to migration especially to the new rail centres like Kanpur The Marwari movement to Assam was stimulated by the increase in the tea trade there and the consequent influx of population The movement to Bombay and Central India was increased by the opening of the opium and cotton trades in those formerly subsistence area The movement to East Bengal was facilitated by the growth of the jute trade

[16] *Census of India 1901* Vol XVI *North Western Provinces* Part I *Report* by R Burn (Allahabad 1902) p 17

[17] Tod *op cit* Vol II p 110

[18] *Rajputana Ga etteer* (Calcutta 1879) Vol I p 91

By the same token, the exhaustion of resources in older areas forced movement from them The closure of the Khetri copper mines in Shekhavati, and the termination of the opium and indigo trades, produced out migrations In the case of indigo, the decline was caused by a technical innovation, in that the Germans developed synthetic blue dyes making indigo blue dyes superfluous

With the completion of a rail link between it and Shekhavati the coincidence of an economic boom in a centre could also serve to accelerate migration The completion of the Delhi Calcutta line about 1860 coincided with opportunities, opened up by the English cotton famine during the American Civil War, and by the continuing withdrawal of Bengalis from the business world

Circumstantial Factors

Circumstantial factors like the outbreaks of plague and wars also motivated Marwari movements The 1911 *Central Indian Census* report tells us ' The Marwari is ever the first to move out into the land of his origin or elsewhere, on the advent of the epidemic [19] Another fall in the Marwari population of Central India is noted in 1921 because of the plague [20] Newspaper reports indicate a lull on speculative markets caused at various points in the late 1890s by the flight of Marwaris before the plague [21] We note that the removal of the Birlas to Calcutta was occasioned by a plague in the late 1890s in Bombay, their former headquarters

There were severe famines in Rajasthan in 1812 1813 1868 69, 1877, and 1891 92 and 1899 but there is little indication that these were times of accelerated out migration by businessmen [2] On the contrary according to some observers businessmen were able to assist in transporting grain to the affected areas

Maratha and Jat invasions devastated the Shekhavati area in the eighteenth century, and may have made people ready to leave it The replacement of the Muslim Qaimkhani rulers in the area, by various

[19] *Census of India 1911* Vol XVII *Central Indian Agency* by C E Luard (Calcutta 1913) p 28-29

[20] *Census of India 19 1* Vol XVIII *Central Indian Agency Report and Tables* by C E Luard (Calcutta 1923) pp 3 and 25

[21] *Census of India 1901* Vol IX *Bombay* Part I: *Report* by R E Enthoven (Bombay 1902) p 44

[22] *Imperial Gazetteer of India Provincial Series Rajputana* (Calcutta 1908) pp 62 66

branches of the Shekhavat clan of Rajputs in the early eighteenth century, deprived some merchants of their roles as estate managers

The Incremental Factor

More generally relevant is the incremental factor the role an already existent settlement played in facilitating further settlement Sometimes the presence of one big firm owned by a communal fellow, as in the case of the Jagat Seth of Murshidabad, would attract immigrants In the case of the Jagat Seth a band of fellow Oswals settled in the Murshidabad area at the height of his power Several among them seem to have been personally recruited by the Jagat Seth, on his tours in upper India Surajmal Jhunjhunwala of Chirawa and Nathuram Saraf of Mandawa spawned sub resource groups of Marwaris from Mandawa and Chirawa, which were important features of the Calcutta cloth market at the turn of the century

In the other direction, people would open up shops in new areas because their friends or family wanted agents there We are familiar from European history with how Rothschild sons were shipped off, each to a different capital (London, Paris, Frankfurt, Vienna and Naples), to extend that firm s activities [23] Bernard Bailyn indicates in a recent study that the early merchant immigrants to New England were often founded on a line of credit from their London creditor relatives [24] Marwaris were no different from either of these historical cases They too often established themselves as outposts of larger firms to which they were related

Riots and Hostility

In British India of the nineteenth century, government restrictions were not an operative restraint on migrant merchants On the negative side, popular local prejudice and strong competition could both deter migration The most explicit form in which prejudice manifested itself was in anti moneylender riots, as in the Deccan in 1875 and in Calcutta in 1918 and 1926 [25] Like most migrant business groups, Marwaris have

[23]David Landes *Bankers and Pashas* (Cambridge Mass 1958)

[24]Bernard Bailyn Kinship and Trade in Seventeenth Century New England in ed Hugh G J Aitken *Exploration in Enterprise* (Cambridge Mass, 1965)

[25]I J Catanach *Rural Credit in Western India 1875 1930* (Berkeley 1970) pp 10-26 John Broomfield The Forgotten Majority The Bengal Muslims and September 1918 in ed D A Low *Soundings in South Asian History* (Berkeley Calif 1968) pp 208 213

been the object of a good deal of generalized obloquy High Hindu culture, like many others is hostile to merchants Kautilya says that a businessman is a thief but is not called so[26] Popular local culture is sometimes even more hostile Folk sayings in some areas depict Marwaris as dehumanized vampires A thug kills a stranger, a Marwari a friend ' If you meet a snake and a Marwari, kill the Marwari[27] Even in their own home region, folk legends exalt robbers who outfox businessmen The same folk sayings occur in other social contexts, applied to merchant groups other than the Marwaris

The prejudices have been manifested, most dramatically in anti Marwari riots The most numerous of these have probably been in Assam, but the most famous occurred in Calcutta in 1918 and in 1926 In the Calcutta case, the riots were complicated by overall Hindu Muslim conflicts and were conditioned by the fact that the main Marwari areas of settlement adjoined a centre of the North Indian Muslims in Calcutta

Another well documented series of riots occurred in the Poona area In none of these cases do the riots, destruction, and killing seem to have inhibited further Marwari migration to the areas concerned The very willingness to withstand risk in other connections must have made these infrequent civil disturbances a minor consideration in the Marwari migrants' calculations

The presence of potent local competition was obviously a more important factor, explaining the relative lack of prominence of Marwaris in Bombay, Gujerat, and South India

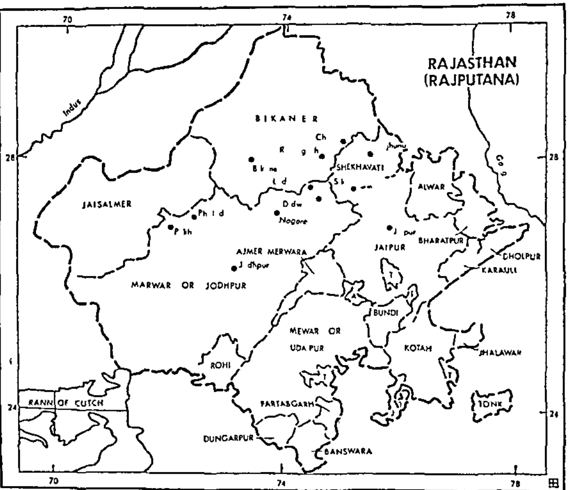
Use of the Sample

My approach to migration in this book, and to the transformation of the Marwaris in general, is essentially a genealogic one By getting a longitudinal view of change and movement in individual Marwari firms and families over several generations, I try to understand the changes that occurred to the community as a whole[28] I have succeeded

[26]Dwijendra Tripathi Indian Entrepreneurship in Historical Perspective A Reinterpretation *Economic and Political Weekly* VI (May 29 1971) *Review of Management* p M 61

[27]R V Russell and R B Hira Lal *The Tribes and Castes of the Central Provinces of India* (London 1916) Vol II pp 129-130 Milman *op cit* pp 39-41 citing Herbert Risley *The People of India* (Calcutta 1915)

[28]For a more elaborate use of this technique see Milton Singer "The Indian Joint Family in Modern Industry in ed B Cohn and Milton Singer, *Tra-*


RAJASTHAN
(RAJPUTANA)
BIKANER
JAISALMER
MARWAR OR JODHPUR
AJMER MERWARA
SHEKHAVATI
ALWAR
JAIPUR
BHARATPUR
DHOLPUR
KARAULI
BUNDI
KOTAH
JHALAWAR
TONK
MEWAR OR
UDA PUR
ROHI
PARTABGARH
DUNGARPUR
BANSWARA
RANN OF CUTCH
Indus
Nagore
Ch
Jhunu
Ph l d
P kh
J dhpur
D dw
J pur
70
74
78
28
24

in accumulating rather large numbers of schematic histories of Marwari firms. I attempt to use their experience to illustrate the general process of Marwari migrations.

The main group of such histories, 1197 to be exact, is drawn from four caste directories published in Bhanpura, Indore, in the 1930s.[29] I dropped those listed families who did not indicate any involvement in trade, any migration out of their home area, and those whose points of origin I judged to be outside of Rajasthan and Hissar district, excluding Bhiwani. This last and arbitrary distinction removed in particular a group of emigrants from Mahendragarh, Narnaul and Sirsa in the Punjab who constitute an important element in many of the areas to which Marwaris moved.

The difficulties with the sample are of three sorts: its arbitrary geographic delimitation, the unrepresentative way in which firms got to be listed in the directories, and the weakness of the data described in those directories.

The arbitrary delimitation is mine and as I indicated removes one prominent group of merchants. Sukhlal Karnani, one of Calcutta's early entrants into industry, came from Sirsa; the Narnaul immigrants were probably the largest group in the Kanpur area.[30] There is enough of a difference in social customs between these Punjabis and those from Shekhavati to permit some differentiation. More difficult is the fact that the businessmen of Marwar are continuously on the move. Many of the cities from which they emigrated, e.g., Ratangarh, Sardarshahr and Lakshmangarh, are less than 200 years old—and the fact that a family is recorded with a Marwari origin may be the result of a relatively recent migration. Still some sort of arbitrary boundaries are necessary in efforts of this sort—and the exclusion of the Mahendragarh Narnaul migrants seems a defensible one.

A more serious weakness of these directories, along with many others

---

dition and Change in India (N. Y. 1968), pp. 423-452. Surajit Sinha and Subyasachi Bhattacharya worked on an unpublished study of the *Subarnabanik* and *Gandhabanik* trading communities of Bengal using roughly the same technique.

[29] S. Bhandari, *Aggarwal Jati ka Itihas*, Part I (Bhanpura, Indore, 1937) (Hereinafter referred to as *Agg. I*), Part II (Bhanpura, Indore, n.d.) (Hereinafter referred to as *Agg. II*). S. Bhandari, *Maheshwari Jati ka Itihas* (Bhanpura, Indore, 1940) (Hereinafter referred to as *Mah.*). S. Bhandari, *Oswal Jati ka Itihas* (Bhanpura, Indore, 1934) (Hereinafter referred to as *Os.*).

[30] Lakshmi Kant Tripathi and Narayan Prasad Arora, *Kanpur ka Itihas* (Kanpur, 1958), pp. 272-494.

I used, is the manner in which firms were selected to be listed One of the collaborators in their publication told me that families and firms were asked for a Rs 50 donation to be listed in the Bhandari directories[31] Apparently most firms responded favorably In Navalgarh, Hyderabad, and Ranchi most of the larger existent firms were covered Another check with a list of firms in a Kanpur directory was not so positive only half of the listed firms were in my sample[3] Social workers and college graduates were listed in the Bhandari directories without charge Towns were well or poorly represented according to the competence of Bhandari s local collaborators

A somewhat lesser weakness in the sample is the shaky nature of the data which the directory listings provide The information recorded in these histories is self supplied The dates of migration, when given, are clearly approximate, and with some of the oldest, highly questionable Unfortunately, the Census data with me only really begin to be informative in 1881 The firm histories are thus necessary, as a prime source for the history of earlier periods Some of the gazetteers and travellers accounts we cite in this volume are, after all, also imprecise and equally liable to error

In my tabulations, too, some of the multi branch firms have not been entered in all their places of business Had they been so entered they would have appeared automatically in each region The listings of branches in the directories are, in any case so incomplete for most multi branch firms entries as to make suspect any data based on the criterion of branch location On the other hand I tried to list firms where their most important branches were located, even if it meant double and triple listings Many firms whose proprietors moved are thus located in several different regions, in my tabulations

A minor source of error is that the dates are often listed in the directory in Vikrami Samvat years which I transformed into A D years by subtracting 57, even though both 56 and 57 might be appropriate in different cases Many places have the same place names and I may have misplaced some firms on that account

The sample is indicative, rather than representative of the Marwari migration Its very size, and some elements of comprehensiveness it contains, give it some claims to attention

[31]S N Loya Interview in Hyderabad 1970

[32]Lakshmi Kant Tripathi and Narayan Prasad Arora *Kanpur ka Itihas* (Kanpur 1958) pp 271–494

THE HOMELAND

The disposition of Rajasthani *banias* as regards pre emigration is itself an artifact which the theory of migration can be called on to explain The 1911 Census, the last one with sufficient detail, indicates a total *Bania* population of 743,000 in Rajputana, dispersed as follows

Table 8

POPULATION OF BANIAS IN RAJASTHAN[33]

State	*Khandelwal*	*Aggarwal*	*Oswal*	*Maheshwari*	*Saraogi*	*Total*	*Pop Total in*
			(in thousands)				*millions*
Total	63	200	210	91	38	743	
Jaipur	42	107	5	10	20	196	2 6
Bikaner		16	24	17	1	58	1 7
Jodhpur		9	110	29	6	172	1 9
Udaipur		3	50	22	3	94	1
Jaisalmer			1	3		3	

SOURCE *Census of India* 1911 Vol XXII *Rajputana and Ajmer-Merwara* Part I Report by E H Kealy (Ajmer 1913) and Part II esp pp 208-211

[33]The merchant classes of Udaipur do not seem to have played an important part outside of their home state so we will not pay them further attention In the caste tables the term Saraogi refers roughly to Digamber Jains some of whom were Aggarwals many Khandelwals and some of whom probably belonged to other castes Aggarwal Digambers may marry non Jain Aggarwals and thus were often counted with other Aggarwals Khandelwal Jains traditionally do not marry non Jain Khandelwals so-called Khandelwal Vaish mostly to be found in the southeast of Rajputana and in western U P (H. Kasliwal Interview in Jaipur, 1971)

The castes involved were not spread out evenly over the states In Bikaner a little less than half of the Maheshwaris were concentrated right around Bikaner city, the capital, where they benefited from the connections of certain Maheshwari families with the state administration The large number of Jodhpur Oswals, too, is related to the existence of numerous Oswal *mutsuddi* families who were connected with that court as hereditary servitors and bankers [34] In Jodhpur, the Oswals were almost as numerous as the Maheshwaris and Aggarwals put together In Bikaner as we mentioned, and in Jaisalmer, the *mutsuddis* (state servitors) were mostly Maheshwaris and we similarly find a concentration of Maheshwaris there [35]

Firms of Maheshwaris are also recorded in the sample in the western part of Shekhavati, and the areas around Churu in Bikaner [36] Though there were no Maheshwaris in Ladnu, there were important Maheshwari centres in other towns in North Jodhpur at the salt works in Didwana (29 in the sample), at Khinvsar (11), and in Pokaran (9) on the way from Jodhpur to Jaisalmer [37] Large mercantile communities lived in the *Khalsa* towns of Nagore Didwana, and Phalodi directly administered by the Maharaja of Jodhpur Here they may have experienced greater physical security, since the Maharaja s administration was overseen by a British agent sympathetic to commercial interests But the feudal lords (the Thakurs) of Pokaran Pipar Kuchaman, Ladnu and Khinvsar also gathered commercial groups

[34]B Lohia *Rajasthan ki Jatiya* translated by Jagmohan Gupta from the *Census Report of 1891* by Hardayal Sinha (Calcutta 1954) The Oswal *mutsuddis* mostly settled in the Jodhpur city area Though reportedly endogamous they must have retained some commercial relations with their non *mutsuddi* caste fellows Latterly many *mutsuddis* of Jodhpur have emigrated especially to, South India One village I visited (Borunda in Jodhpur district) had half of its Oswal population away all of them being *mutsuddis* *Mutsuddis* however had it too good at home before 1930 and rarely emigrated in the period I have been studying

[3] Powlett *The Gazetteer of Bikanir State* (Calcutta 1874) pp 47 53 and 113 114 G K M Walter *Gazetteer of Marwar Malani and Jaisalmer* (Calcutta *1877) pp 29* and *90 The Bikaner Maheshwari mutsuddis* are descended from the bankers who accompanied Rao Bika when he established Bikaner state in 1439 They belonged especially to the Kothari and Mohta (Mehta) families Unlike the Oswal *mutsuddis* these Maheshwari *mutsuddis* were endogamous Their extensive banking connections outside of Bikaner helped them to emigrate in some numbers especially to Calcutta even before 1900

[36]*Rajputana Gazetteer* Vol I (Calcutta 1879) p 201

[37]See Section on Summary of the Sample

Less than a tenth of the Maheshwaris or Oswals were in the capital area of Jodhpur proper This partially reflects their role as small scale village moneylenders and traders, a role which they preserved in their move out of Rajasthan to the small towns of the south and west of India One important group of Oswals, prominent in the jute trade in Bengal came from the northern towns of Ladnu, Chapra, Bidasar, and Sujangarh (14 from our sample) Another group in both jute and the Calcutta cloth trade came from Sardarshahr

The most important group of *Banias* in Jaipur among emigrants were those from the arid Shekhavati region in the north of the state A quasi-autonomous area, the Jaipur Raja only extended his suzerainty over the area in the nineteenth century In the early twentieth century, Shekhavati accounted for roughly a fifth of Jaipur's census population, and a greater portion of her area There were 28,000 *Banias* (mostly Aggarwals) reported in the Shekhavati region in 1911 (roughly 10 per cent of those in Jaipur state), of whom 15,000 (including 1750 Maheshwaris) were recorded in Sikar estate (total population 173,000) [38]

The 1911 census notes 9 000 Jaipur migrants in Bengal, 11,000 in Bihar and Orissa, almost exclusively from the Shekhavati region [39] In addition the Aggarwal half of the Assam migrants numbers about

[38]Boileau reported in 1835 that there were 19 000 *banias* in Jodhpur city (one half Oswal and composing 1/8 of the total population) a little more than 10 000 in Merta (2/3 Oswal and more than 1/3 of the population) 3 500 in Pipar (about 2/3 Oswal and more than 1/4 of the population) and 1 000 in Bagru (1/2 Khandelwal and less than a fifth of the population) All of this recorded in Boileau *op cit* Our sample of Oswal firms shows 31 in Phalodi

Munshi Govinda Surana *Census Report for Jaipur State* (n p 1891) Capt A D Bannerman *Census of India* 1901 Vol XXV - *Rajputana and Ajmer-Merwara* (Lucknow 1903) Pandit Brij Jivan Lal Sharma *C nsus of India* 1921 Vol XXIV *Rajputana and Ajmer Merwara* Part I Report (Calcutta 1923) This figure includes 6 000 *Banias* in Udaipurwati Tehsil The figure as a whole looks like an underestimation

The large size of the migration is evidence for this since otherwise it would appear that the number of migrants from Shekhavati is twice the number of stay at homes This appears contrary to fact A directory of Nawalgarh migrants *Nawalgarh Eek Jhalak* (Calcutta 1967) would indicate even today that the number of adults living away from Nawalgarh a major Shekhavati source of migration was six hundred The same directory lists 62 firms in the Nawalgarh bazaar If we make the reasonable assumption that each store represents 10 adult residents it seems likely that the local population is roughly comparable to the number of emigrants

[39]E H Kealy *Census of India 1911* Vol XXII *Rajputana and Ajmer-Merwara* Part I *Report* (Ajmer 1913) and Part II esp pp 208-211

5 000 and must come in large part from Shekhavati The Assam Aggarwals come heavily from among the 28 000 *Banias* of Shekhavati area and the 16 000 Aggarwals in the adjoining Bikaner state around Churu There were at least 500 Shekhavati Aggarwal settlers each in the cities of Bombay and Hyderabad There were also Shekhavati firms in large numbers in Eastern U P Kanpur, and Central India Perhaps the total number of migrants from Shekhavati would total 40 to 50 thousand

Table 9

SHEKHAVATI MIGRANTS IN 1911

Destination	*Number*	*Shekhavati Banias in Home Region*	
Bengal	9 000	Shekhavati Jaipur	28 000
Bihar and Orissa	11 000	Shekhavati Region of Bikaner	16 000
Assam	5 000		
Bombay and Hyderabad Cities	1 000		
Total	26 000	(to which must be added those Shekhavati migrants to U P and Central India)	
Grand Total (estimate)	56 000		44 000

Source Same as Footnote 39

Up to the early eighteenth century the Shekhavati area was ruled by various Qaimkhani Nawabs in Fatehpur, Jhunjhunu, and Singhana Many Marwaris bear the names Singhania and Jhunjhunwala, though most of them now hail from other towns—to indicate that their ancestors lived in Singhana and Jhunjhunu This would suggest that these were once the centres of mercantile population in the area In addition, we know that certain families, like the Aggarwal Choudhris of Fatehpur, were intimately connected with these Nawabs [40] In the early eighteenth century the Nawabs were displaced by various Shekhavat Hindu

[40] Devkinandan Kherwal Interview in Fatehpur 1971

Rajputs, especially those who made their headquarters in Sikar and Jhunjhunu

The Jhunjhunu rulers followed the normal Shekhavat custom of equally dividing their estates among their sons, and thus in space of time gave birth to many smaller estates Jhunjhunu rapidly ceased to be an estate capital Many other Shekhavats also followed the rule of equal partition, and by the nineteenth century held smaller and smaller shares in smaller and smaller estates The precarious economic base of these Rajput nobles and the resultant potential for intrigue and usurpation drove many of them into banditry In the early nineteenth century, Shekhavati was a byword for its bandits among the British This level of lawlessness was certainly one factor motivating the migration of the area s businessmen

On the positive side, the various Qaimkhani and Shekhavat rulers competed with each other in offering concessions to merchants, most especially their own protection Over time this competition may well have resulted in a mercantile influx into the area as a whole The con cession often included exemption from estate octrois, a tax only abolished in 1942, convoys for cargo and immunities from prosecution Special emissaries from estate owners are reported to have convinced the Poddars of Churu to move to Ramgarh, and the Goenkas to move to Dundlod, then budding centres in Shekhavati [41]

An apocryphal story about the foundation of Ramgarh attributes it to the fact that the Thakurani of Churu teased her sister the Rao Rani of Sikar, over the lack of merchants in the Sikar realm On her return the Rao Rani was supposed to have pestered her husband until he agreed to set up a merchant city state in Ramgarh In the dry areas of Shekhavati wealthy merchants were often the staple of a state s finances The present Thakur of Bisau s father made Rs 400 000 in gifts from businessmen on his first visit to Calcutta One estimate is that half of the Rs 1 5 million budget of the Sikar estate was met by merchant donations [42]

The names of merchants in the west of Jhunjhunu district, such as Dalmia, often indicate origins in villages around Loharu and present-day Bhiwani in Hissar Continuous fighting around Delhi in the seventeenth and eighteenth century may have propelled merchants from these areas into Rajasthan

[41] See story of Poddars in Chapter V Badridas Goenka *Meree Sansmaran* (Calcutta n d) p 1

[42] Thakur of Bisau Interview in Jaipur 1970

In any case, by the first years of the nineteenth century, Ramgarh, Lakshmangarh, and Fatehpur in Sikar estate and the separate estates of Nawalgarh and Jhunjhunu were already prominent for the number of wealthy merchants who lived there [43]

In Jaipur city itself, businessmen were reported to number roughly 50 000 in 1835, half of them being Oswal and half Aggarwal, and to be major bankers [44] The prosperous jewellery and banking business of Jaipur kept most of her businessmen at home where they were also assisted generously by the state [4]

Table 10

BIKANER EMIGRANTS IN 1901

Destination	*Number*
United Bengal	12 000
C P and Central India	2 200
U P	10 000
Bombay Province	2 500
Total	26 700 (Plus some addition for the Punjab)

SOURCE Same as Footnote 38

[43]Nawalgarh established as a separate estate in 1734 37 employed agents to lure merchants especially from the jurisdiction of Khetri estate seenote 41 supra In 1835 Boileau noted in his travelogue that there were 500 *Banias* in Nawalgarh and 700 shops for a population of 5000 Thoresby in the 1830s noted in Ramgarh the numerous handsome houses of the Seths (leading merchants) some of whom are on a magnificent scale as also in Fatehpur and Lakshmangarh The citation is from a report of Thoresby in the National Archives of India Foreign and Political 10 May 1841 no 38-42 esp 41 Thoresby reported that many merchants had left Fatehpur after the downfall of her Nawab for Lakshmangarh and Ramgarh Boileau reports on these same towns in 1835 He reports 3000 *Banias* in Fatehpur (1/3 of the population) Edward Thornton *A Gazetteer of the Territories under the Government of the East India Company and of the Native States on the Continent of India* (London 1857) p 821 mentions the bankers of Ramgarh *The Rajputana Gazetteer* 1879 Vol II pp 159 and 176 shows businessmen with extensive operations outside of Rajasthan in Lakshmangarh and Ramgarh *The Imperial Gazetteer of India op cit* p 266 reports bankers palaces in Ramgarh

[44]See Boileau *op cit Rajputana Gazetteer* 1879 Vol II pp 149 150

[45]B R Aggarwal and S K Porwal professors at the Birla Institute of Technology in Pilani Rajasthan related a folk saying which was supposed to charac

The Maheshwaris in our sample (358 of them) were, as we noted, especially concentrated in Bikaner (70) and its surrounding villages Forty one Oswals were also found in Bikaner city Census data from 1901 show at least 12 000 people from Bikaner in the then united Bengal Presidency, including Orissa, Bihar and East Bengal [46] About 1100 each were located in the Central Provinces and Central India Roughly 10,000 were in U P and 2 500 in Bombay Presidency Nationally this would give us a total of 26 500 to which we should add some short range migrants to the Punjab (out of 106,000 total from Bikaner there) and some of the 100 000 unallocated Rajasthan migrants The *1874 Gazetteer of Bikaner* notes wealthy merchant communities with connections all over India in all the market towns of Bikaner state, especially Churu, Sujangarh, Ratangarh, and Bidasar [47] Sardarshahr produced many cloth and jute traders settled in Eastern India (19 in our sample)

In my sample from Jaisalmer, the most remote and desert bound of Rajasthan s states, there are ten Maheshwari and four Oswal firms Jaisalmer s population declined precipitously throughout the nineteenth century Even so, the 1911 figure reported looks like an undercount of the residual population Boileau, in 1835, reported 15,000 businessmen and 500 shops in Jaisalmer city alone composing about half the population—and mostly of the Maheshwari and Khandelwal caste [48] Jaisalmer was probably still a leading caravan trade stop The present day population of Jaisalmer, despite its recent development as a border security post, is still below Boileau s figure The 1879 *Rajputana Gazetteer* still notes some prominent *mutsuddis* like the Sa Mehtas and Tarvri Mehtas in Jaisalmer, but even these were required to move their activities elsewhere, because of the decline of trade in Jaisalmer This decline seems to have occurred after 1835—and not to have been directly connected with Salim Singh s persecution of the Paliwals, so graphically recorded by Tod [49]

Besides these emigrants from Rajasthan proper our sample contains 18 Aggarwal and 4 Oswal families from the area of Bhiwani (a market

terize Jaipur city *Banias* and which goes roughly Live well and get rich never leave Jaipur

[46] K D Erskine *Rajputana Gazetteer* (Allahabad, 1909) Vol III A pp 78-79

[47] Powlett *op cit*

[48] Boileau *op cit*

[49] Tod *op cit* Vol II pp 222 228

newly created by the British in 1818) Like many other "new towns, most of the migrants came from adjoining areas, especially Shekhavati Bhiwani was the Gateway to Rajasthan, the final stop on the trade routes that ran through Shekhavati to Delhi [50] It was a natural first stop on the way out of Rajasthan to the east—but we choose to consider it here rather as the most extended point of the Marwari homeland Today Bhiwani is in Hissar district of Haryana state A large number of merchants from Bhiwani later moved to Calcutta (a 1915 gazetteer says 4000), where they were leading stock brokers and gunny dealers

Table 11

THE MIGRATION SAMPLE BY REGION OF ORIGIN

Area	*Marwari Population in 1911 (in thousands)*	*Aggarwal*	*Oswal*	*Maheshwari*
Calcutta	15	139	77	64
Bihar	15	74	3	—
Kanpur	103	13	—	5
Other U P	—	36	3	12
Assam and Bengal*	34	60	52	10
Bombay	12	44	12	11
Central India and Maharashtra**	329	69	150	178
Hyderabad	6	21	19	19
Hyderabad	8	—	22	33
Madras and Mysore	1 5	—	71	—

excluding Calcutta
excluding Bombay
except Hyderabad City
Madras only

[50] *Punjab District Gazetteers* Vol II *Hissar* by P J Fagen revised by C H Townshend (Lahore 1916) Part A p 250

Thus we see that the same circumstances responsible in general for Marwari migrations all over India, are responsible for their original disposition in Rajasthan Those pulls and pushes of unequal opportunities were, however, much more specifically conditioned by the policies or ruling princes and estate owners in Rajasthan than those forces which operated in British India One can see in Rajasthan also the strength of the 'cumulative' factor in commercial migration, the effect the presence of one community or family member has in drawing others

Table 12

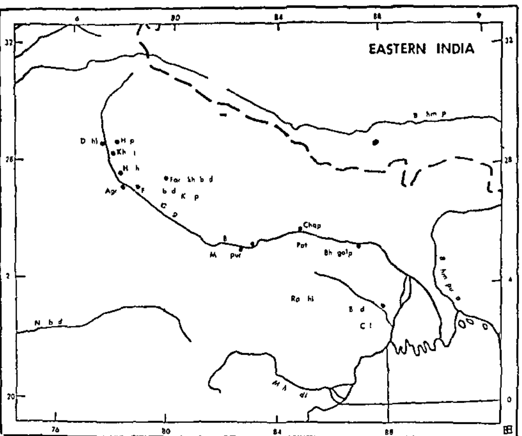
OLD FIRMS IN SAMPLE

Area	*Immigrants before 1860*	*Total in Sample*
Calcutta Aggarwals	20	139
Bihar Aggarwals	18	74
Assam Aggarwals	5	49
Bombay City Aggarwals	8	44
	Immigrants before 1840	
Malwa All Castes	10	80
Poona and Ahmednagar (Maharashtra)	6	47
Hyderabad Oswals	14	41
Hyderabad Maheshwaris	21	52

The Summary of the Sample

Since so much of this volume depends on my use of a sample of Marwari firms, it seems useful to rehearse rapidly the content of that sample even though this will entail some repetition of the history contained in Chapter III In the section that follows the reader can get some idea of the quantitative dimensions of the Marwari migration, in terms not of the number of migrants as shown by the census but in terms of larger firms The sample data will also give some indications about the directions of Marwari migration before 1881, and the beginnings of accurate census data

There are 444 Aggarwal family/firms in our sample, almost all of them from Shekhavati Three-fourths of these had gone eastward along the Ganges Yamuna valley to Calcutta, and some of these went

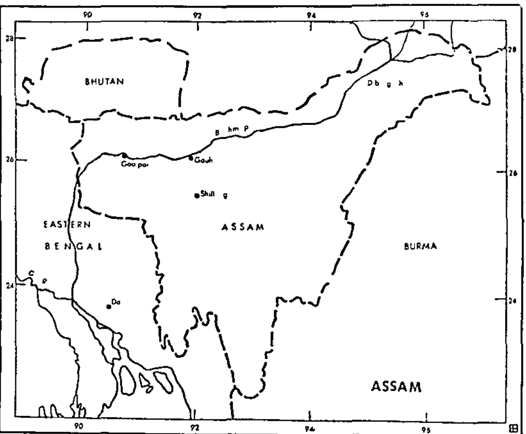

EASTERN INDIA
Chap
Pat
Agr

further up the Brahmaputra river into Assam, or across the Bay of Bengal into Burma The oldest firms in Bhiwani, the 'eastern gateway' to Rajasthan and the first way station on the road from Shekhavati, date from its foundation in the second decade of the nineteenth century The oldest firms in our sample from Delhi are equally old The various river ports on the Ganges marked the stations in the Marwari s progress Settlements in the grain markets of western U P (Hathras, Khurja, and Hapur), and in the river ports of U P (Farrukhabad and Mirzapur) all date from the last quarter of the eighteenth century The movement here was impelled by the greater security in British India the commerce that the British were developing with these areas, and the customs wall which now cut them off from Rajasthan The oldest firms in our sample from U P date from the first two decades of the nineteenth century After the construction of the railroad from Delhi to Calcutta around 1860, many of the river port firms moved to the new rail centre of Kanpur

The river port and grain market firms dealt in imported cloth, and handled the export of grain, cotton, and opium They rapidly became leading bankers and moneylenders feeding credit to small traders in the countryside as well as to large firms, Indian and European in the port cities

Soon the firms moved yet farther east Twenty of 139 Aggarwal firms in Calcutta, 18 of 74 in Bihar, and 5 of 49 in Assam date from before 1860 Firms started to arrive in Calcutta in 1820, and in increased numbers after the opening of the railroad in 1860 The greatest number in the sample seem to have arrived between 1860 and 1900 Our sample shows 280 firms in Calcutta In Calcutta, the Marwaris gradually extended themselves to new lines and areas Several Aggarwal firms became major purchasers and balers though not direct exporters of jute Other firms entered the speculative markets there in shares, gold and silver, opium, and later jute and hessians After 1880, and especially after 1914 Shekhavati Aggarwal firms, especially those from Bhiwani in the Punjab entered the ready and futures trades in hessians and gunny the manufactured jute fabrics After the First World War Marwaris entered industry especially Shekhavati Aggarwals who had been speculators in Calcutta, Kanpur, and Indore

Our total sample shows 2 cotton textile mills owned by Oswals 20 by Maheshwaris and 26 by Aggarwals It shows 2 jute mills owned by Maheshwaris and 7 by Aggarwals In addition there were 80 sugar mills 55 oil mills, more than 50 cotton gins, jute presses, and several


BHUTAN
EASTERN
BENGAL
ASSAM
BURMA
ASSAM
90
92
94
96
28
26
24

chemical glass, engineering and rubber mills listed by firms in our sample

Table 18

INDUSTRIAL HOLDINGS

Type of Industry	*Aggarwal*	*Oswal*	*Maheshwari*
Cotton Textile Mills	26	2	20
Jute Textile Mills	7	—	2
Sugar Mills		80	
Oil Mills		55	

These figures pertain, of course, to the 1930s In 1964 at least 38 per cent of the assets of the largest Indian owned firms belonged to Marwari groups

Other firms expanded their interest in Calcutta s commercial hinterlands The Shekhavati Aggarwals monopolized the trade of Bihar In the first decades of the 19th century, the first migrants to Bihar settled around the river ports of Chapra, Patna, and Bhagalpur The first two firms recorded in our sample came in 1810 Among these early migrants the large banking firms became large scale landlords in Bihar and eastern U P 34 Aggarwal firms note themselves as landowners in their histories, mostly in this eastern area After 1880 Marwari firms moved into the predominantly tribal areas in south Bihar, around Ranchi and took part in the mica industry there in addition to continuing their earlier trading operations After the First World War, the Bihar Marwaris moved into the developing industries of coal, sugar, and vegetable oil

Marwari migrants slowly moved up the Brahmaputra Valley, through North Bengal into Assam Their first major centre was on the Bengal border in Goalpara, with Marwari firms already prominent in 1818 By 1860 they were already stationed in Dibrugarh at the other end of the valley The bulk of the immigration to Assam seems to date from the period 1860-1880, which was also the period of considerable development of the English-owned tea gardens Oswals and Shekhavati Aggarwals (49) especially from Ratangarh (13) and Lakshmangarh (6), monopolized the wholesale trade of Assam and north Bengal To supply the English-owned tea plantations they financed much of the

tea trade by the credit they floated through the Calcutta banking firms Only after the First World War did a few Marwari firms buy tea gardens on their own account

Even in Burma large numbers of Marwari migrants participated in the rice and lumber export trades However the Burmese Marwaris took second place to the Chettiars, a trading community from South India

Maheshwari and Oswal firms also moved to eastern India Maheshwari firms were found in the principal markets of U P and in Calcutta where they took an active part in the cloth trade dealing in grain, and speculative markets Many large Maheshwari banking firms from Bikaner had Calcutta branches to constitute an important part of the banking community there After the turn of the century large amounts of Maheshwari capital was invested in urban real estate in Calcutta itself No small number of Maheshwari and Oswal firms moved to Assam but our sample only lists a few of these

Dating from the early eighteenth century the Oswals had an old centre in Murshidabad, just north of Calcutta Later arrivals in Calcutta and rural Bengal and Assam received some assistance from these Murshidabadi settlers in establishing themselves in the cloth and grain trade Many of these firms transferred to the jute trade By the late nineteenth century the Oswal firms had established themselves as the pre eminent jute firms in the area They did not move on, however, to found jute manufacturing companies as did some jute traders belonging to other communities

At the end of the eighteenth century a second stream of migration began to move south from Rajasthan in the service of the Maratha rulers Composed of Oswals and Maheshwaris from Jodhpur, Bikaner, and Shekhavati, and of Shekhavati Aggarwals these migrants went to Malwa and then to other areas of central and southern India The areas in which they settled constitute roughly the present day states of Maharashtra and Madhya Pradesh In addition to their work in state banking the early migrants were active in cloth, opium and grain trades

The firms in this Central India area (178 Maheshwaris 150 Oswals, and 110 Aggarwals) later moved into the cotton and oil seeds trade in the late nineteenth and the early twentieth centuries Several firms in Indore were eventually able to establish cotton textile and vegetable oil mills in the early twentieth century Except in Bombay and Hyderabad cities the Aggarwals were found only in the northern part of the area but not in the Marathi speaking areas to the west Many of these

crossroad grain trading and moneylending firms became landlords (43 Oswals and 67 Maheshwaris) As the opium trade declined toward the end of the nineteenth century, the Central Indian firms turned their attention to the cotton trade Raw cotton fuelled not only the Bombay and Ahmedabad mill industry, but was exported to England and later to Japan

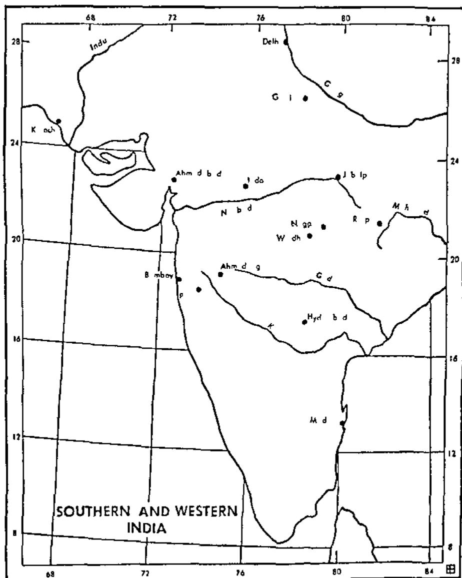
From Central India the logical path of advance was into the city of Bombay, the commercial outlet for the area 43 Aggarwals, 12 Oswals, and 11 Maheshwaris were found there many of them arriving there quite early (8 before 1860) The Shekhavati Aggarwals and Maheshwaris (6) in Bombay experienced a similar evolution to their Calcutta brethren in the cloth and speculative trades They became major figures in both The non Shekhavati migrants were mostly offshoots of the network of Oswal and Maheshwari firms in the Bombay hinterland, and enjoyed more modest success

Fewer migrants arrived in Karachi, the port of Sind, which itself might have been considered a commercial satellite of Bombay Almost none was able to brave the indigenous competition in Gujerat itself

From the centres of Central India, the logical next step was south to Hyderabad state and then on to Madras and Mysore (There were 114 Marwari migrants in my sample in Hyderabad, and 71 in Madras and Mysore) Almost from the beginning of the Asaf Jahi dynasty in Hyderabad in the early eighteenth century, bankers and moneylenders from Rajasthan gathered to serve the state and aid the shaky finances of the Hyderabad government The Marwari settlement in Hyderabad is consequently one of the first in point of time (14 Oswals, and 21 Maheshwaris came as early as 1840)

In most of Hyderabad state, as in Gujerat there was vigorous local competition But the Marwaris gained prominence where there was not much indigenous competition, in the Marathi speaking areas of the state, so called Marathwada (22 Oswals and 33 Maheshwari firms were in Hyderabad city) Leading firms from Mandawa and Chirawa in Calcutta had caused large colonies from those villages to settle in Calcutta Similarly, the fact that two large Hyderabad firms came from Nagore and Phalodi is probably related to the large settlements in Hyderabad from these two Jodhpur towns

An unusual number of Hyderabad Oswal firms were military bankers and contractors, especially to British units Some of these (13) followed their units into Madras and became the base for the Marwari settlement there Other Oswals moved on to Bangalore, and from there into the



SOUTHERN AND WESTERN
INDIA
Indu
Delh
K ach
Ahm d b d
J b lp
N b d
N gp
W dh
R p
B mbay
Ahm d g
G d
Hyd b d
M d
68
72
76
80
84
28
24
20
16
12
8

rural areas in the Nilgiri hills and the Kolar gold fields The Marwari firms throughout the southern area, like their counterparts in Central India, were especially prominent as moneylenders and grain traders Often they became large scale landlords

In the case of both streams of migration, to the east and to the south the migration can be described as organic Each generation moved a little forward on the trade routes used by its predecessors As awareness of new opportunities grew as in Assam and Bihar, as competitive advantages began to show themselves as in Calcutta and Kanpur, the migrants moved into the areas of opportunity

The semi permanent character of the migration the fact that the migrants returned again and again to their homelands in Rajasthan, meant that the Marwaris were not purely a step-migration Each new wave of migrants set out from the original homeland, rather than from intermediate points of migration The major step-migration phenomenon observed seems to be connected with the decline of older areas of migration Thus the decline of the opium trade in Malwa seems connected with an emigration from there to Calcutta and Bombay

SUMMARY

In sum, then,

> Of the 846,811 persons born in Rajputana and enumerated elsewhere, the majority in all probability come from Marwar, Bikaner, Jaipur, Jaisalmer and Mewar but above all from Marwar and Jaipur, and consist of those traders with their dependents who are known indiscriminately as Marwaris and play such an ubiquitous and important part in commerce and banking throughout India[81]

This estimate would suggest roughly 400,000 commercial migrants, whereas our computations put the actual migration at a somewhat lower level The presumption here seems to be that all long distance migrants are businessmen, a presumption belied by the detailed 1911 figures for Bombay and Calcutta

The detailed dates and composition of the migration seem governed overall by the development of certain commercial lines cloth imports,

[81] *Census of India* 1931 Vol I by J H Hutton (Delhi 1933) p 68

Introduction

In the modern study of society one of the central quests has been for universality Western social scholars, not the least Max Weber, have turned to the societies of the non Western world, to test the universal validity of their theories A persistent internal trend in social thought has opposed this trend

In his magnum opus on the underdeveloped world, *The Asian Drama* Gunnar Myrdal challenged the applicability of Western economic concepts to the incomparable societies of the non Western world [1] In some recent work on firms in Benares, Christopher Bayley questions whether they follow the commercial rationale of the classic capitalist firm Analysts of agriculture in the tradition of Chayanov pose a characteristically peasant type of agricultural enterprise [2]

The quests the questions and challenges raise a question that must be central to this volume I must consider what institutions and attitudes differentiate the functioning of private capital and economy in India from that in the United States and England

Some of these differences will be coincidental variations resulting from the fact that American capitalism and Indian capitalism have evolved separately Others will be specific adaptations or deformations to adjust traditional and pre existing institutions to the necessities of modern business Still others will be the necessary results of differing ideals and goals

We have dealt at length with the adaptation of the institution of a commercial community

Another institution which has determined much of Indian economic development is the family firm That firm takes deposits and makes

[1]Gunnar Myrdal *The Asian Drama* (N Y 1969) Vol I pp 16-24

[2]Christopher Bayley 'The Urban Merchant Family in North India during the 19th Century paper delivered at Kaplan Memorial Lectures University of Pennsylvania Philadelphia Penna (May 1975) Proceedings to be published Daniel Thorner (ed) Basile Kerblay and R E F Smith A V Chayanov *The Theory of Peasant Economy* (Homewood Ill 1966)

loans, collects and transfers government funds, engages in retail and wholesale trade as the opportunity offers it elf At first it opens proces sing (ginning, milling), then manufacturing factories, transfers funds for its clients to distant cities and opens branches as permitted by the numbers of sons, nephews and trustworthy clerks A single day s transactions may include futures, large scale encashment of bills of trade *insurance commission purchases for export, and household expenses* As Moreland states about one of his Mughal subjects

> Virji Vora was eminently a merchant that is to say a buyer and seller of commodities and his business extended to any class of profit but at the same time he freighted ships, he acted as a banker he received deposits and he arranged remittances by means of bills or letters of credit to his branch houses The activities of the firm of Malaya were equally multifarious and I have not noticed any record *of a banker as distinct from a merchant, or of a prominent merchant* confining his transactions to a particular line of goods [3]

Those whose primary business was shroffing narrowly defined, that is bankers on the indigenous model also served as intermediaries for the joint stock banks They took their money, as they did that of the general public, as demand deposits All enterprises however, involved elements of moneylending [4] The family firm readily took on the func tion of 'peak firm in an industrial combine, of the managing agency for newly founded industries

The family firm has a further family rationale, which may conflict with its economic profit making one It is concerned with its family name, its position in its community or among the local elite—certainly at the expense of profits and possibly at the expense of its survival [5]

[3]W H Moreland *From Akbar to Aurangzeb* (London 1923) p 158

[4]The profits to wholesalers are not as in the United States in a margin given by the factory to wholesale customers This may not exist or is nominal instead profit lies in the interest paid by retailers on advances to them often 9 10 per cent per annum Those who perform the wholesale function often also receive the 1-1½ per cent brokerage and *banian* s commis ion to which I refer later Of course this refers to firms in the period of which I speak before 1930 Many firms now use a system similar to that in vogue in the U S

[5]Christopher Bayley 'The Urban Merchant Family in North India During the Nineteenth Century (Kaplan Memorial Lectures University of Pennsyl vania Philadelphia June 1975) and The Organization of Merchants in Benares 1780-1830 (University of London Postgraduate Seminar in Comparative Economic History, India and Africa November 26 1973)

The family firm almost everywhere seems to be the oldest form of business association There must be few developing countries, indeed, where it is not the dominant form of enterprise

Though the family firm appears at first undifferentiated, in the next three chapters we will suggest three important types of Marwari firm —the great multi branch trading firms the *banians* and brokers in the major markets, and the speculators

The following chapters show that the activity of firms, though multi faceted often had one or another central thrust Each of the special thrusts is treated by presenting an ideal type in Weber s sense The different types of thrusts, of functions played parts both in accelerating the progress of the Marwari emigrant community as a whole, and in determining the further evolution of the firms themselves

CHAPTER V

Great Firms

Of the three ideal types ' of firms we will consider the ' great firms" are the first in the point of time It may help to start with a discussion of one of them, Tarachand Ghanshyamdas, on which I was able to find a great deal of material The discussion is intended to be illustra tive of the general evolution and inner structure of a larger number of firms which like this one, had many branches all over India and enga ged in a wide variety of business enterprises For lack of a better term I call these great firms

In most cases the other great firms ought to be compared not only with Tarachand Ghanshyamdas as a firm Their proprietary families ought to be compared to the family which owned Tarachand Ghan shyamdas as well the Poddars of Ramgarh Bhagoti Ram, the founder of Tarachand Ghanshyamdas in the early 18th century, has many descendants who spawned many large firms of their own The descen dants of Sargandhas Dadda of Phalodi in Jodhpur, who lived in the mid 17th century, founded perhaps as many firms [1] Like the Poddars in Ramgarh the Daddas created a merchants city state in Phalodi [2] The senior branch had a firm, Udaymal Chandmal, with branches in Hyderabad, Deccan and Calcutta and yet another was a leading banker in Indore

Many of the largest firms were primarily bankers With headquarters at Ajmer or in Bikaner they were initially moneylenders to the rulers of Rajputana The Daddas were especially prominent in Jodh pur, Bikaner, Indore Hyderabad and Jaisalmer The Bapnas of Pathua were prominent in Indore, Kotah and Jaisalmer The Lodhas were in Jaipur, Jodhpur, Kishengarh and Shahpura and the Pittys and Ganeriwalas in Hyderabad [3] We will see that Bhagoti Ram was sup-

[1] *Os* pp 265 276 Modi *op cit* pp 500-501 Umraolal Dadda Interview in Ajmer 1971

[2] Boileau *op cit* p 99

[3] For Daddas see note 1 supra for Lodhas see *Oswal* pp 247 250 and Sam patlal Lodha Interview in Bhilwara Raj 1971 and Kundanmal Mehta Inter-

posed to have been treasurer to a Nawab and that his descendants' business included moneylending to the rulers of Bikaner and the Punjab

Like Tarachand Ghanshyamdas too, the owners of the large firms often remained at their headquarters in Rajasthan, long after the bulk of their business was conducted through their chain of branches outside, and operated through clerks However, the proprietors of most of these firms were more actively involved in their management than those of Tarachand Ghanshyamdas, and more likely to send their sons out to actively run their branches

Bankers with headquarters in Rajasthan like the Poddars and Daddas bargained for and received from the princely state rulers, criminal and civil jurisdiction over their own employees This was done both to protect the employees from harassment, and to strengthen their own control over their firms Returning clerks might be closely questioned or even imprisoned in the proprietors dungeons for suspected embezzlement These two concerns control over the firm's personnel, and autonomy from vexatious harassment, seem to have been the keynotes of great firm organization

Some of the great firms like Bansilal Abirchand of Nagpur and Tarachand Ghanshyamdas tried to have each branch operate independently and balance its books on its own These naturally had more rudimentary central books By the 1880s the branches of Bansilal Abirchand sent only semi annual statements to the proprietors This lack of centralized control is somewhat unusual in Marwari firms, and especially contrasts with the practice of Seth Goculdas Malpani of Sevaram Khushalchand of Jabalpur[4] Goculdas would spend nine months of the year on the road, meticulously checking the books of his clerks He transferred the clerks frequently and without warning, so that they would not have time to cook the books before they left He made a policy of never putting relatives together in the same branch firm The clerks though well rewarded were never made partners in the Sevaram Khushalchand firm, though the firm did retain partner ships in several places Those partnerships that were retained were coeval with the firm itself, thus having a sanctity which mere adminis trative convenience could not overcome

---

view in Calcutta 1971 for Bapnas see *Oswal* pp 197-210 and the memorial volume for Sir Wazir Bapna which I was unable to locate for the Pittys and Ganeriwalas see *Agg I* pp 472-477 and Modi *op cit* pp 507 and 498

[4] Assaram Rathi Interview in Nagpur 1970 see J Mukherjee *Raja Gokuldas Jivan Charitr* (Biography of Raja Gokuldas) (Bombay 1929) pp 45-49

To secure their headquarters from vexations, many of the larger banking firms decided to shift them to safer ground For the Poddars and the Daddas, with their protected merchants city states there was no need to move But other firms found Ajmer, an enclave of British territory, provided a physical security still lacking in the princely states The Muhnots of Riyan the famed Riyanwala Seths who were reputed by folk saying to own The Maharaja and half of Marwar, and a branch of the Daddas moved to Ajmer [5] Two other prominent firms of bankers, the Lodhas and the Sonis made their fortune in Ajmer as it became a national centre for state banking and an entrepot for trade

Early gazetteers indicate that equally important banking centres had emerged in Bikaner and Jaipur because of the Maharajas protection In 1879 Jaipur s leading bankers were reported to have a capital of seven million pounds sterling [6] In 1930 Bikaner s bankers were supposed to have Rs 55 million in capital [7]

As Marwari businessmen moved out of Rajasthan the great banking firms extended their branches to serve them The Jorawarmal Gambhirchand Soni firm of Ajmer was founded by Jorawarmal (died 1858) on the proceeds of some successful opium speculations in the late 1820s [8] By 1850 it opened an office in the banking centre of Jaipur In 1855 another branch followed in the opium mart of Mandsour in Malwa, followed by another in 1862 in nearby Kotah and finally by a branch in 1866 in Calcutta

The marauding armies of the late eighteenth century too often required their treasurers to keep branches to serve them all over India Thus we notice the Daddas moved to Indore and the Riyanwala Seths to Poona to serve various Maratha clients The British government made much the same demands The heir of the Riyanwala Seths Hamirmal, added interests in the Punjab to those he had accumulated in Central India when he accompanied Henry Lawrence s invading armies into the Punjab in the late 1840s

[5]Vallabhdas Riyanwala Interview in Bhilwara Raj 1971 Surajmal Riyanwala Interview in Ajmer 1971 Shivdutt Tiwari and Nauratanmal Riyanwala *Shri Gulabh Darshan* (Ajmer 1930) *Os* p 74

[6]*Rajputana Gazetteer* 1879 *op cit* Vol II p 150

[7]Bikaner Banking Enquiry Committee *Report of Bikaner Bankin Enquiry Committee* (Bikaner 1930)

[8]Sir Bhagchand Soni Kt Interview in Ajmer in 1971 Sir Bhagchand was kind enough to allow me to inspect some of the older records of the firm

The story of Tarachand Ghanshyamdas should be a good one for giving a feel for these ' great firms, among whom it was probably the largest, between the years 1860 and 1914 Numerous of the larger firms of today began as brokers, partners, and even clerks to this firm

Background

The background against which our story is set is Tarachand Ghanshyamdas *gaddi*, with rented rooms for its offices, spread with white cloth covered pads Cash boxes and red ledgers were the main ' business apparatus [9] The establishment was supervised by a *munim* or chief clerk who was assisted by several *gomashtas* or sub clerks Each was perhaps charged with maintaining a different ledger, and overseeing the operations which were reported in that ledger The most important of these *gomashtas* was the cashier, who had control over the *rokarvahi* or cashbook and the cashbox In addition, the firm maintained a *khatavahi* containing separate accounts for each class of business, a *hundi nakl* into which copies of all *hundis* (indigenous bills of trade) were entered, and a *jama vahi* giving the firm s physical inventory [10] In most firms, daily reports of the cash and credit position of the branch had to be sent to the main office, and it seems probable this was also the case in Tarachand Ghanshyamdas Telegrams floated back and forth between branches, telling of market conditions The Tarachand Ghanshyamdas Calcutta branch books for 1872 73 show less than 100 such telegrams duly noted with either a rupee payment for transmission charges or an anna (1/16th of a rupee) perhaps as a tip, for their receipt

Right before the First World War, the Tarachand Ghanshyamdas *gaddi* in Calcutta at 18 Mullick Street, took up an entire floor of Kaligodam a building located near the old centre of the opium trade and apparently built in the late 1870s The firm took up more than eight rooms, opening on a balcony overlooking an open central court

[9] For the importance of the *gaddi* layout see Richard Fox *From Zamindar to Ballot Box Community Change in a North Indian Market Town* (Ithaca N Y 1969) pp 54-56

[10] Bikaner Banking Enquiry Committee *op cit* p 106 James M Campbell *Bombay Presidency Gazetteer Series* Vol IV *Ahmadabad* (Bombay 1879) pp 63 80 Vol II *Surat and Broach* (Bombay 1877) p 42 Vol V *Cutch Palanpur and Mahakantha* (Bombay 1880), p 110

yard An elderly interviewee remembered the *gaddi* as containing 8 or 9 clerks, and was able to tell me six of their names [11] The head cashier, Chhaganlal Bhavsinghka, he reported, was paid Rs 250 a month and owned a grain mill over the main gate The ordinary clerks received Rs 50 to 60 a month, in addition to free lodging and boarding in the firm s *basa* There were similar arrangements in the Memon firms studied by Hanna Papanek [12] In addition there were several *durwans* who delivered bills and paid out funds Five are recorded in the cashbook for 1872 73, apparently none paid more than Rs 200 a year There were also several Brahmin servants for the mess at the *basa* All these salaries were rather generous for the time and remarked on as such

Hanna Papanek notes in a study of the Memons a Muslim trading group from Gujerat, a strong preference for their fellow community members as employees [13] Somewhat on the same lines, Marwari firms seem to have preferred those from their own home town or sub region Many firms, on the contrary, were thought to prefer Brahmin clerks, who were thought to be more honest and also less likely to start in business on their own [14] Tarachand Ghanshyamdas did not however, employ many Brahmins

At least until the beginning of the twentieth century, the clerks of the firm Tarachand Ghanshyamdas were mostly from Shekhavati, and Aggarwals, like their proprietors [15] In addition to their pay, they received valuable perquisites culminating in a share in the firm s ownership Jainarain Poddar, chief clerk of the Calcutta firm in 1908 reported in court testimony that he was paid 2 3 hundred thousand rupees every year or two, probably his share of the firm s profits [16] The head clerks of various branch offices often had a one to five sixteenths share in the

[11] Chauthmal Brahmin Interview in Ramgarh Sikar 1970

[12] Chauthmal Brahmin Interview in Ramgarh Sikar 1970

[13] Chauthmal Brahmin Interview in Ramgarh Sikar 1970

[14] Rishi Jaimini Kaushik Barua in conversation

[15] I have been unable to secure a list of the early clerks Latterly Harduttrai Prahladhka and Jainarain Poddar were both from Ramgarh K L Ghuwalewala of the Karachi branch was from Mukundgarh and Malchand Bhavsinghka from Churu These villages are all located in the centre of the Shekhavati region Ghuwalewala said that as far as he knew all the clerks were from Shekhavati Most belonged to the same Aggarwal community as the owners though perhaps 10 per cent were Brahmins Bhavsinghka roughly agreed with this contention

[16] *Bengalee* July 24 1907 p 8 (The *Bengalee* was a Calcutta English language newspaper)

ownership of their own branches[17] However ever this was most emphatically not true of three other firms we study, Bansilal Abirchand, Sevaram Khushalchand, and Mahasingh Rai Meghraj Bahadur

The clerks in Tarachand Ghanshyamdas were regularly rotated from branch to branch, and promoted until, if lucky, they finally took over one of the firm s major offices Harduttrai Prahladhka, for example, started with Tarachand Ghanshyamdas in Calcutta in 1860 returned to the Ramgarh and Mathura branches, left the firm, and finally returned to the firm as chief clerk in Calcutta in 1896[18] Jainarain Poddar was born in 1843 and entered the firm s employ in 1883-84 Previously, from 1865 to 1873 he had been in the banking business with his father in Hyderabad After some years we find him as clerk in the opium centres of Mandsour and Ujjain in 1888, then in Kanpur and finally in Calcutta in 1896, where he shared power with the senior Harduttrai Prahladhka whom he succeeded on his death in 1912[19] In 1920, Jainarain got a share in the firm s ownership, which was increased to four sixteenths by 1930[20]

The organizational details of Tarachand Ghanshyamdas were not

[17] Malchand Bhavsinghka s grandfather had a 5/16th share in the opium business of Gursahaymal Ghanshyamdas a predecessor of Tarachand Ghanshyamdas while another 1/16th was reserved for charity (Malchand Bhavsinghka Interview in Calcutta 1970) In the oil distribution line for example the firm started out in partnership in 1905 with Bishendayal Hardayal Sureika (a leading banking firm from Fatehpur in Shekhavati) After one or two years it moved into partnership with Shivramdas Morarka (he had a 5/16th share) In 1920 Morarka was replaced by Jainarain Poddar as a 1/16th partner with a share that increased to 4/16ths before the firm s partition in 1933 (Bhavsinghka Interview) Fatechand Gupta *Marwari Gaurav* Part I (Delhi 1950) pp 8 20ff reports a Mouram Jhunjhunwala who was partner of Tarachand Ghanshyamdas predecessor in Ratlam in 1823 and the industrialist Mungturam Jaipuria was a partner in a Calcutta cloth business with Tarachand Ghanshyamdas from 1917 to 1921 The partner in each case cited looked to the actual management of the business whereas Tarachand Ghanshyamdas provided a good deal of the capital Tarachand Ghanshyamdas was even a partner (perhaps 5/16th) in one of Dulichand Kakraniya s jute presses (*Thacker s India Directory for 1915* pp 58 59)

[18] *Agg I* pp 172 173

[19] Ram shwar Prasad Patodia *Anandilal Poddar Smrti Pushpa* (Calcutta n d) p 49 *Agg I* pp 220 222 Jainarain s father was a partner at *chaupar*, an indoor game with Seth Ghanshyamdas the owner of Tarachand Ghanshyamdas and his hiring was the result of this connection

[20] *Agg I* pp 220-222 and Patodia *op cit* p 49

exceptional for a firm of its type [21] Another of the larger firms, Bansilal Abirchand, had major centres in Bikaner where its proprietary family had been located since 1598, as well as Nagpur and Indore The firm was of assistance to the British during the revolt in 1857 and was rewarded with num rous government treasureships, contracts and so forth By 1908, the firm owned 17 villages two cotton textile mills, 20 cotton gins and presses, and a multi branch banking business, com plete with deposit facilities British officers in the smaller towns often kept their accounts with it One of the firm s regular projects in the period 1919 1939 was the seasonal transfer from central India and back of Rs 3 crores to cover its trading operations in Burma

Each branch of the firm functioned as a separate unit though several branches in the same town might be under the general supervision of a senior clerk Each branch manager had full authority to run his branch as he saw fit Though Nagpur s four branches, for example, were nominally specialized in banking gold grain, and cloth all were em powered to do any sort of trading Each branch manager was in later years supplied with a wide ranging power of attorney for the firm As we noted previously centralized book keeping was rudimentary But, as with Tarachand Ghanshyamdas there seem to have been few cases of embezzlement though one clerk is reported to have fled Nagpur with Rs 30 000 between the two world wars (1919 1939)

I was able to interview Assaram Rathi, ex private secretary to Sir Bissesserdas Daga (1877 1941) grandson of Abirchand who was the founder of the firm in Nagpur and died in 1878 Sir Bissesserdas was the senior proprietor from 1916 until 1941 In his own career Rathi exemplified the career pattern of senior clerks very similar to that of Jainarain Poddar and Prahladhka

Rathi was born in a small village near Bikaner and joined the firm as a teenager in 1909 Several of his relatives had already worked for the firm and service in the firm seemed somewhat of a family tra dition He was first posted to the Bombay office then a large bank, commission agency, and bullion dealing centre In 1913 Rathi moved to Lahore where one of the firm s activities was running the government treasury in four surrounding districts In 1914 he moved to Bangalore where moneylending was the firm s specialty, in 1917 back to Bombay and in 1919 to Kamptee (near Nagpur) where he was made Sir Bissesserdas private secretary

[21]Assaram Rathi Interview in Nagpur 1970

In 1868-1872 Tarachand Ghanshyamdas had branches in Calcutta, Bombay (called Tarachand Sitaram as late as 1868, but changed to Tarachand Ghanshyamdas by 1972), in Ratlam Indore, Mandsour, and Ujjain in the opium belt of Malwa, in Amritsar in the Punjab, in Bhiwandi as the eastern gateway to Rajasthan, and in Udaipur in Rajas than Related firms or correspondents are indicated in the small centres of Shekhavati Jhunjhunu and Surajgarh, and in Jaipur Jodhpur, Kanpur, and Agra There were branches in Ramgarh and Mathura, which, though not primarily business establishments, did issue *hundis* in small amounts and were primarily connected with the owners household [2]

The Chronology

As early as 1834, the *Bengal Hurkaru* notes (spelling standardized)

> The only people who carry on regular trade in European commodities, with the countries beyond the Indus and the Sutlej, are the Banyans of Jodhpur and Shekhavati countries who are known by the general name of Marwaris they may be said to be the only merchants in Upper India
>
> The following instance will help to illustrate the extended scale of Marwari connections
>
> Mirzamal, Fakirchand Johurimal and Haikunt Rai are the grand sons of a person called Bhagoturam, who was the Podar or treasurer to the then Nawab of Fatehpur in the Shekhavati country, as well as at Churu in the Bikaner country, which is only 5 kos [10 miles] off, and they live at either one place or the other according as they are well treated by the respective rulers or otherwise
>
> Someone or other of the twelve Podars have Gomashtas or Agents at the following places that is—Bombay Surat,? Muscat, Pali Jodhpur, Nagore, Jugadri, Hissar, Indore, Nagpur, Hyderabad, Poona, Hathras, Chandausi Farrukhabad Mathura Agra, Mirza pur, Benares Murshidabad, Patna, Calcutta, Goalpura These Gomashtas are all of them from Churu from Bikaner and Ramgarh, Bisau, Fatehpur, and Jhunjhunu in the Shekhavati country They are everywhere distinguished as foreigners by their language and dress and their families reside in their own country [23]

[22]Bhavsinghka Interview

[23]*Bengal Hurkaru*, May 10, 1834 pp 4-5

The Podars referred to are the ancestors of the owners of the firm Tarachand Ghanshyamdas, and of several other firms to which I shall refer elsewhere

Some traditions, as well as the above newspaper cutting, point to the ancestors of the owners of Tarachand Ghanshyamdas having been treasurers to the Nawab of Fatehpur, in Shekhavati [24] These Nawabs were overthrown by the Rao Rajas of Sikar in 1731, and the business firm I will treat here may have been founded in its latter day form shortly thereafter [5] Other sources connect the founders of the firm s fortunes with the Pindari Nawabs whom they may have served as bankers and treasurers [6]

In any case, the founder, Bhagoti Ram, was living in Churu, north of Ramgarh in the early part of the eighteenth century According to tradition a *yati* a Jain holy man told him to go to Bhatinda in the Punjab and it was there he made his fortune in the wool trade [7] He dealt in wool and grain which were then the *Punjab s major exports* Bhagoti Ram s son Chaterbhuj founded branches in Amritsar Bhatinda, and Hissar and led a movement in opposition to a new wool tax imposed by the Thakur of Churu Such anti tax movements were common in Shekhavati and usually involved the protectors migration to a more lenient jurisdiction This was no exception

Chaterbhuj moved to Ramgarh in the neighboring territory of the Rao Raja of Sikar in the 1780s [28] In Ramgarh the Poddars and other

[1] *Ibid*

[2] Shrigopal Dinmani *Fatehpur Panchay* (Fatehpur 1915) p 65

[2c] Harish Chandra Sharma *Growth and Development of Banking in a Developing Economy* (Agra 1969) p 13

[7] Modi *op cit* pp 461 471 *Agg I* pp 209 215 Jhabarmal Sharma Poddarji ka Gharana aur Poddarji in *Poddar Abhinandan Granth* ed Basu dev Sharan Aggarwal (Mathura 1953) pp 9 14 Tatodia *op cit*

[2] Chaterbhuj left thre sons Johurimal Jindaram and Tarachand Johurimal founded the famous banking firm of Johurimal Ramlal Jindaram remained in or moved back to Churu A published extract from a *vahi* shows him concluding an opium purchase for Rs 311 in 1787 there (R K Goenka *Sachitr Itihasik Lekh* [Calcutta n d] pp 5 ?8) Jindaram s son Mirzamal (1790 1850) was associated with Ranjit Singh the ruler of the Punjab from his beginnings as a local chieftain (Vishambharlal Poddar Interview in Calcutta 1970)

Mirzamal s rise to the position of court banker is recorded in a contemporary miniature painting still in his family s possession This miniature was published in Rishi Jaimini Kaushik Barua *Mai Meri Marwari Samaj ko Pyar Kartaa Hun* (Calcutta n d) Another evidence of Mirzamal s importance is a mortgage bill for certain lakhs of rupees issued to Maharaja Surat Singh of

commercial families built a businessmen s city state under the protection of the Rao Raja English travellers in the early nineteenth century noted with admiration the city s prosperity and security [29] Among the prominent Poddar firms from Ramgarh were Sojiram Hardayal, Anatram Shivprasad, Harsamal Ramchandra Sevaram Kaluram, and Johurimal Kamlal—*all early settlers in Calcutta*

The main firm was continued by Chaterbhuj s son Tarachand This main firm added the opium trade in Malwa to its other operations which included banking gold wholesaling, wool export and insurance [30] The opium was exported via Bombay to China Perhaps it was at this point that the firm opened its Bombay office

Even though the centre of the business was more and more in Calcutta, the owners continued to reside, at first at Ramgarh and then, as their religious inclination grew, in Mathura (from 1833) and finally at Hardwar and Chitrkot [31] The active management of the business

---

Bikaner on the security of several villages and a receip for the transmission of Rs 90 000 from Calcutta to Indore The mortgage bill is now with the Nagar Shri Sabha of Churu a local historical and welfare association The files of the Foreign and Political Department have several references to Mirzamal s claims against the Bikaner court and their ultimate adjustment

[29]Boileau *op cit* pp 9 11 National Archives of India Major Thoresby Notes on a Tour commencing at Manoharpur March 3 from Jaipur Foreign and Political Department 41 10 May 1841 p 7

[30]Tarachand died at an early age leaving two sons Gursahaymal and Harsahaymal called collectively Harsa Ghursa Gursahaymal partitioned the firm with his brother in 1823 24 (Refer to note 27 supra) Harsahaymal s descendants were in business as Harsahaymal Ramchandra and are mentioned as leading indigenous bankers by Modi *op cit* pp 530-531 A note on page 10 of *Poddar Abhinandan Granth op cit* says that there were four *kothis* or houses descended from Chaterbhuj Tarachand Gursahaymal (later Tarachand Ghanshyamdas) Sojiram Bhagatram Sojiram Jokhiram and Sojiram Hargovindram *I have not been able to find any further information on these firms* —though perhaps Sojiram is also the Sojiram of Sojiram Hardayal an early Poddar firm in Calcutta Gursahaymal died in 1868 leaving one son Ghanshyamdas who died in turn in 1885 leaving five sons (See note 27 supra) Ghanshyamdas eldest sons *Jainarain and Lakshminarain partitioned off their* share of the firm in 1868 and ran a separate firm Jainarain Lakshminarain For the story of their firm see *Agg I* pp 213-215 and *Poddar Abhinandan Granth* pp 9 14 Ghanshyamdas younger sons Radhakrishen and Keshavdas became heads of the firm Tarachand Ghanshyamdas while their younger brother Murlidhar became a holy man (Radhakrishen 1857 1920 Keshavdas 1860-1949)

[31]The date of removal to Mathura was given in an interview with Janki Prasad Poddar, one of the heirs of the firm Malchand Bhavsinghka ex-chief

thus fell to its clerks, of whom the most prominent were Harduttrai Prahladhka and Jainarain Poddar

The business went through some rapid transformations in the 1890s The opium business was in decline In 1896, the firm took over the agency for Asiatic Petroleum Company and later for its successors, the Burmah Oil Company and for Shaw Wallace (itself the prime agent for Burmah Oil and the third largest cloth importer into Calcutta)[3] These activities required so much capital that old lines like insurance and *hundi* discount were largely discontinued[33] The firm developed a network of 800 branches all over India to carry on the petroleum business some of these branches being major independent enterprises in their own right Founded in 1901, the Karachi branch was a major commission procurer of grain and cotton for export from the Punjab[34] Needless to say, the mere existence of this network of branches became, in and of itself, a major factor facilitating Marwari movement throughout the country

I was fortunate to come across three surviving ledgers after 1860, which give a more or less exact picture of the status of the firm at that time[35] Later I was able to inspect summarily, some other of the firm s ledgers

THE LEDGERS

The most important of these ledgers is the cashbook of the Calcutta branch of Tarachand Ghanshyamdas from May 1872 to April 1873

clerk of the Calcutta branch of Tarachand Ghanshyamdas says that Radhakrishen s family had moved to Chitrkot by 1915 and Keshavdas to Hardwar before that date The 1833 date is also confirmed by the *Poddar Abhinandan Granth*, *op cit*

[3] See note 27 supra and Patodia *op cit* pp 53 55 also see Malchand Bhavsinghka Interview and Janki Prasad Poddar Interview also see reference in Sir Harry Townshend *A History of Shaw Wallace and Co* Shaw Wallace and Co Ltd (Calcutta n d)

[33] Janki Prasad Poddar Interview

[34] K L Ghuwalewala Interview in Calcutta 1970 Ghuwalewala was ex chief clerk of Tarachand Ghanshyamdas in Karachi

[3] For these I wish to thank Janki Prasad Poddar his daughter in law Bimla Poddar and son in law Suresh Newatia for making the *bahis* available to me and for their time and cooperation which made their use possible The difficulties with the ledgers necessitated the assistance of Chiranjilal Bubna of Ashok Glass Works who kindly worked through the difficult volumes with me

Since almost every transaction has a cash component, a rough idea can be had of the entire activities of this branch Although the Calcutta branch was only established in 1860 it was perhaps already more important than Bombay[36] In terms of bulk the two most important activities of the firm seem to have been the discounting of *hundis* issued by smaller scale indigenous bankers and the purchase and sale of gold, sometimes on arbitrage from Bombay, to Bengali retailers Insurance was an important and highly profitable line There was a fair amount of speculative activity in the stock, opium, and government paper markets

The traditional Punjabi wool trade was continued in the form of large scale purchases of wool on commission for an European firm, probably Cohn Fellman The proceeds were remitted back to Amritsar, by means of encashing *hundis* sold by the Tarachand Ghanshyamdas branch in Amritsar[37] Miscellaneous items crop up in the ledgers, such as the disposal of a shipment of cloves from Bombay, the wholesaling of several boxes of cloth for Williamson and Co , and the commission purchase of some bales of cotton A later cashbook of 1876 from the major grain market of Bhiwani, now in Haryana, indicates considerable commission purchase of grain and gram, the purchase and sale of silver, and a brisk trade in *hundis* some discounted, some self issued

In quantitative terms, during the year May 1872 to April 1873 the Calcutta branch discounted roughly Rs 15 lakhs of *hundis*, earning an income of Rs 9 000 It collected Rs 5,500 to 6,000 of insurance pre-

[36]The Calcutta branch is already listed in *Thacker s Post Office Directory for Bengal the Northwest Provinces the Punjab and for 1861* (Calcutta 1864) p 84 at 114 Cotton St This is also the address for Harsahaymal Ram chandra referred to in an earlier footnote Harsahaymal Ramchandra is listed in a list of principal Hindustani Shroffs in *The New Calcutta Directory for 1863* by A G Roussac (Calcutta 1863) pp 43 44 Also included is a firm Tarachand Choramal (also listed as a Churu merchant in *The Bengal Agra Directory and Annual Register op cit*) which may have been a predecessor of Tarachand Ghanshyamdas On the other hand several other firms which we know to have been sizeable in Calcutta at that time like Sevaram Ramrikhdas and Sojiram Hardayal are not listed Earlier directories do not refer to the firm K L Ghuwalewala indicated that a deed for a residential building at 17 Pugyapatti in Calcutta dating from 1860 is still with the firm It seems likely that the failure of several Ramgarh firms reported in the late 1850s may have compelled Tarachand Ghanshyamdas to open a Calcutta office

[37]C L Bubna said the word looks like Kamalbaran but the closest two possibilities in the 1871 *Thacker s Directory* are Kettlewell Bullen and Cohn Fellman the latter primarily a wool trading firm

investment especially in cotton textile mills pre-eminently Sevaram Khushalchand in Jabalpur Bansilal Abirchand near Nagpur and Shivlal Motilal Pitty in Bombay and Poona In the 19 os the Singhanias of Kanpur began to take an active role in the cotton textile industry there In addition some of these Marwari firms who had *ban an*-type relations with major British houses were deeply involved as financiers and directors with them

On the other hand other great Marwari firms often abandoned more active forms of commerce to become landlords This is so with the Murshidabadis the Riyanwala Seths (60 villages in C P and U P), and Sevaram Khushalchand (158 villages) [40] Others went into urban real estate like the Sonis of Ajmer or restricted themselves to the more honorific branches of state banking

Returning to the ledgers of the firm at hand however the overhead incurred by Tarachand Ghanshyamdas can also be surmised from its books Since employees lived in the Company *basa* we know that their upkeep and business expenses amounted to roughly Rs 6 600 About Rs 260 additional was spent on a horsecart which the firm used to haul goods around Calcutta About Rs 450 in charity was given directly by the branch in addition to whatever donations the owners made on their own account Direct remittances to the owners in Mathura seem to have been no more than several hundred rupees in the form of cloth various sorts of utensils and some ca h via *hun his* (perhaps issued in payment of debts) Remittances to the owner s household in Ramgarh were even less

I was able to cursorily inspect the ledgers of several other larger firms, especially Jorawarmal Ghambhurchand Soni but their content would not add much to the picture available here I was, however permitted to look at the record of assets of the firm Mamraj Rambhagat at the time of its sudden bankruptcy in 1930 [41] The eventual payments

[40]For general information on these two firms see Modi *op cit* pp 504-509 *Mah* pp 250-259 and 335 338B Assaram Rathi Interview in Nagpur 1970 Seth Govinddas M P Interview in New Delhi 1971 J C Mukherjee *Raja Gokuldas Jivan Charitr* (Biography of Raja Gokuldas) *op cit Ga etteer of Bombay City and Island op cit* Vol I p 298 *Ga etteer of the Lahore Distri t* (Lahore 1883 1884) p 72 *Central Provinces District Ga etteers R ipur District* Vol A A E Nelson (ed) (Bombay 1909) p 172 *Jubulp r* Vol A pp 109 and 143 *Raipur* p 162 Damoh p 105

[41]For access to these papers I have to thank the heir to the firm Shrinivas Dalmia and his son Ashok Dalmia who gave so kindly of his time in helping me inspect these papers

from the firm to creditors were Rs 80 lakhs, and the firm s position is somewhat comparable to any latter day large Marwari firm Mamraj Rambhagat had shares in 30 trading firms dealing in cotton and sugar import, with various partners including Sarupchand Hukumchand (covered in Chapter VII) A major partnership was with Tarachand Ghanshyamdas in Karachi Otherwise, the attached schedules list a small amount of real estate, mostly business premises, and a considerable portfolio of shares The only large stock holdings were of 3225 shares in the Akola Mills and 2000 in New Swadeshi Mills, both cotton textile mills of which the firm was managing agent 7350 shares were invested in the Union Bank of Bombay The firm owned 9 cotton gins and one vegetable oil mill The variety of the assets indicates the diversified economic roles which great Marwari firms continue to undertake

The Relevance

The history of the firm Tarachand Ghanshyamdas helps us to see how organically the great firms developed, from their earlier state banking and trading activities It indicates the extent to which their activities meshed with those of non Marwari businessmen in Eastern India Their competitive advantages in terms of available resources, organi zational and financial are more implicit than explicit in the record of the firm we present

The sophistication in cash control the elaborate recruitment of personnel even the professionalization' of management in a firm like Tarachand Ghanshyamdas would be a credit to many a firm of today The eventual decline of the firm however, probably shows the extent to which the society was not ready to accommodate this level of sophistication Eventually, the size of the firm rendered it vulnerable to the competition of many smaller firms who were, so to speak closer to the ground

The great Marwari firms were rich in capital They operated on their own capital and provided accommodation to a large number of smaller firms Though these smaller firms belonged to all trades and communities the familiarity born of a common homeland made great firms key members of the resource group upon which smaller migrant Marwari firms depended It is in this sense that Gadgil s sug gestion that banking activity was a crucial element in every successful

business community is verified[42] Gadgil's suggestion is not valid, however, in the sense of the complaint cited in Chapter III, that the Marwaris limited their banking activity to their own community

The existence of great firms like Tarachand Ghanshyamdas was a critical element in permitting the exodus of the Marwaris As indicated earlier, many of the independent Marwari businessmen of today started as clerks, brokers, or agents to this firm and others like it[43] Tarachand Ghanshyamdas was a shareholder in Dulichand Kakraniya's jute baling press in 1915 It was in Tarachand Ghanshyamdas Calcutta *gaddi* that the Birla's started there as brokers Many of the first Marwari firms in Calcutta huddled around Tarachand Ghanshyamdas *gaddi* in Kaligodam Others started with the office of Sevaram Ramrikhdas in Mirzapur In addition, fledgling Marwari firms could make use of the rediscounting, insuring, and other services of the larger firms in expediting their business

In explaining Marwari success, the implications of this importance of organization and capital available is to discount the attitudinal explanations of this success, such as that advanced by Max Weber The owners of the firm Tarachand Ghanshyamdas were other worldly, orthodox Vaishnavites Their last manager, Jainarain Poddar was a supporter of the Arya Samaj a religious reformist group sometimes referred to as the Lutherans of Hinduism Neither of the religious beliefs involved are specifically reflected in theday-to day actions of the firm

In this account of Tarachand Ghanshyamdas, there are certain other attitudinal differences between Marwari and other firms that may be manifested Commentators tell us that Marwaris were less averse to risk than some of their competitors The ease with which a firm of the size of Tarachand Ghanshyamdas took part in substantial speculation is notable These speculations were of course facilitated by its system of continuous inter communication and its low overhead making it more able to bear losses That communication, in turn was facilitated by the extensive system of agents and branches upcountry, which the firm maintained

On a second level, the history of a great and long lived firm like

[42]Gadgil *Notes on the Rise of Business Communities in India* (N Y 1951) p 5

[43]Shivnarain Birla the grandfather of G D Birla was a clerk in a Hyderabad firm in which Tarachand Ghanshyamdas had a share Also see footnote 17 supra

Tarachand Ghanshyamdas itself exemplifies many elements in the Marwari rise In this case, we see an original emphasis on state banking and the Punjab wool trade, replaced by opium and speculation in gold and stock markets in the mid nineteenth century, and by *banian ship* to a major British firm by the end of the nineteenth century The survival and growth of the firm was conditioned by its successive ex ploitation of different commercial opportunities, as they presented themselves The amounts involved were extremely large for the day and intimately involved with the extensive banking business of the firm Just as the East India Company developed export line after export line to solve its remittance problem, old banking firms of this size develop ed complex flows and counterflows of commodities and *hundis* to balance the drains and inflows in their various branches

The successive waves of opportunity were ultimately governed by the demands of British and foreign port export firms It is in this sense, as Pavlov points out in his work, that Marwari enterprise was a product of the British As several commentators argue, it seems also true that Marwari firms in general responded to the greater physical security in British India However Tarachand Ghanshyamdas, with a protected base in Ramgarh seemed to have been less tempted to move its base This seems true of several of the older firms like the Daddas, or those based in Bikaner whose bases were equivalently safe Other major firms moved out of Rajasthan—Sadhuram Ramjidas to Khurja, Seva ram Khushalchand to Jabalpur, Sevaram Ramrikhdas to Farrukhabad, and Jorawarmal Gambhirmal to Ajmer

CHAPTER VI

Banians and Brokers

Lineaments of a System

The bulk of Marwaris as I have shown were originally engaged as intermediaries between domestic producers and consumers and foreign exporters and importers No matter what the commodity by the mid nineteenth century the final stages of this intermediation usually had some common features

Local retailers and purchasers operated on perhaps six month credit of a limited amount from wholesale storekeepers in the larger market towns who were themselves sometimes the clerks or branch managers of larger firms The term wholesale must be qualified since all firms would often sell directly to final consumers at the same rate or almost the same rate as to retailers Further even the smallest village storekeeper might create another stage by sharing his small profit with yet lower level peddlers or purchasing agents [1]

The market town stores purchased and sold through their branches or commission agents in the port cities The actual extension of credit was undoubtedly an important element and the extension probably went both ways, depending on the relative financial position of the two parties The commission agents may have dealt directly with the European firms or the Parsee Jewish and Armenian firms Or they used the services of a broker, or they had to use the services of another firm which may have had the restricted privilege of dealing with a given European firm Some European firms, especially those purchasing raw jute or cotton or importing cotton piece goods, did not restrict their dealings in this way The European importers often appointed a guaranteed broker, colloquially *banian*, usually remunerated with a 1 per cent commission on sales who had to guarantee the trustworthiness of other Indian businessmen who dealt with the firm Simple brokers in the cloth import trade were often given 1/4 per cent on their dealings In the jute trade,

[1]Cohen *op cit*

too, the European sellers with whom the Calcutta firms dealt directly received a 1½ per cent commission of which they passed on 1/4 per cent to their Indian underbrokers

The relations of the 'guaranteed broker' and his firm were usually far closer than this simple relationship would imply. The guaranteed broker's approval was necessary for sales, and he could thus allocate the stock among the various dealers. Sir Badridas Goenka in his memoirs mentions that brokers used to come to visit his brother, Sir Hari Ram Goenka, in his garden on Saturdays to get allocations of packets of piece goods.[3] Sir Hari Ram was guaranteed broker to Ralli Bros. and the sole broker as the Thacker's of 1915 reports it. Ralli Bros. was the greatest of the cloth importers, at least by the time of World War I.[4]

Originally *banians* had much wider responsibilities than seem to have been imposed at the turn of the century:

> A banian is a person by whom all purchases and sales of goods, merchandize, and produce are made and through whom all shipments are made on account and on behalf of the merchant or mercantile firm in whose establishment he is banian. Such a banian is therefore responsible for the quality and quantity of the goods, merchandize, produce and shipments made through him or his Sircars or servants whom he employs. He has to make good any deficiency in weight or quality, to make compensation for any fraud in shipment of such goods or produce.[5]

As British firms began to own their own warehouses and apparently were able to oversee the care of their goods themselves, the *banian's* role apparently evolved into that of the guaranteed broker. In many cases, he may still have also looked after the goods. The role, however, seems to have diminished over time. S. B. Singh asserts that the importance of the *banians* for British firms began to decline even before 1810.[6]

The guaranteed broker was responsible for disposing of the firm's goods at the highest possible rates, and if he failed he could be replaced. He usually supported his European principals with a large interest-free

[2] *Ibid.*

[3] Mitra, *op. cit.*, pp. 76–94.

[4] B. D. Goenka, *op. cit.*, p. 15.

[5] N. K. Sinha, 'Indian Business Enterprise: Its Failure in Calcutta (1800–1848)', *Bengal Past and Present, Diamond Jubilee Number* (1967), pp. 112–113.

[6] S. B. Singh, *European Agency Houses in Bengal* (Calcutta, 1966), pp. 8–9.

or low interest loan, and introduced them to the complexities of the Indian market[7] Besides cloth, guaranteed brokers seem to have been regularly employed in the opium trade, sometimes in raw cotton, and by banks They were sometimes found in gunny and jute[8] The banks dealt with Indians in foreign exchange, by buying bills on foreign importers of Indian goods from various Indian brokers Some of the banks also appear to have purchased *hundis* and extended margin credit to the larger Indian businessmen Perhaps it is to approve Indian brokers for this purpose that they used their *banians*[9]

The device of a sole selling or purchasing agent seems to have been most common in manufacturing industries such as cotton textiles and sugar Here financial participation in the firm s initial equity was often rewarded by an agency Thus the Singhanias in Kanpur were major financiers of the early Kanpur mills and received sole selling agencies for them[10] Even today, as indicated in a study by Leon Hirsch of the North Indian sugar industry deposits by those with sole selling agencies are important sources of capital[11]

The jute industry seems to have been more reluctant than the cloth importers to make Indians guaranteed brokers, perhaps because it had less use for their capital or market connections[12] The mills apparently purchased three months futures contracts through their European agents These in turn must have developed means of certifying brokers reliability Indians did not deal extensively in the hessians market, with a couple of notable exceptions treated in Appendix A until the First World War[13] The 1915 *Gazetteer of Hissar* district already notes emigrants from Bhiwani among the more prominent hessians traders The pioneers here include Lakshmi Narain Kanoria closely connected with McLeod and Co from 1887, and M D Somani and G D Birla who are already noted as hessians traders in 1915 The entry of Indians into the hessians market may have required the exercise of the new power accumulated during the First World War, with which I deal

[7] *Hukumchand v Radhakrishen* Calcutta 916 *All India Reporter* 1925 refers to such a deposit

[8] Rishi Jaimini Kaushik Barua conversation in Calcutta

[9] M Edwardes *Gazetteer of Bombay City and Island* Vol I pp 297ff

[10] Tripathi and Arora *op cit* p 285

[11] Leon Hirsch *Marketin in an Underdeveloped Economy* (Englewood N J 1961) pp 167 168

[12] Mitra *op cit* pp 76 94

[13] See Chapter III section on The Homeland

in the next chapter

Naturally enough, the *banians*, the guaranteed brokers to the largest firms, were the leaders of the community of Shekhavati Aggarwals in Calcutta, to which they belonged and whose members largely relied on their patronage This was also true to some extent of the Bengali *banians* before 1850, in regard to their position in the larger Bengali community [14]

EXCHANGE OF ROLES

As we noted, the *banians* of the larger European firms were initially Bengalis An exhaustive list in 1863 shows one non Bengali firm [15] Later the Bengalis were displaced to some extent by Khatri merchants from the Punjab Finally, the Khatri merchants declined in face of the Marwaris and remained only as *banians* to the importers of woollen cloth Like the Bengalis before them the Khatris apparently suffered from an insufficient network upcountry (i e the lack of a resource group) and high overheads [16] India is not the only country where such net works were relevant A similar lack of a resource group explains the difficulty the denizens of the rich Southern Fukien province experienced in becoming compradors (Chinese agent generals) to European firms in nearby Hong Kong [17]

The leading *banians* to European business houses in Calcutta were quickly recognized by Marwaris as their elite Like the Chinese com pradors to whom they were often compared, the leading *banians* were closely related to one another by ties of patronage and marriage [18] Though closely related by marriage to the great firms too, their fortunes were more often founded in Calcutta itself

Some of the first firms to undertake the *banian* role were, nonetheless the great firms discussed in Chapter IV Devkarandas Ramkumar

[14] S N Mukherjee Class Caste and Politics in Calcutta 1815 1838 ed Mukherjee and Leach *op cit* pp 44 45

[15] *The New Calcutta Directory for 1863* compiled by A G Roussac (Calcutta 1863) VII pp 35 41

[16] Lala Babu Damodardas Khanna Interview in Calcutta 1971 Modi *op cit* pp 414-418

[17] Yen Ping Hao *The Comprador in Nineteenth Century China* (Cambridge Mass 1971) pp 173 177

[18] Hao *op cit* pp 17_ 173

Chokhani of Nawalgarh is listed as a banian to Ludwig Duke in 1878 [19] Gursahaymal Ghanshyamdas was apparently banian to Crook and Rowe before 1860, and Sevaram Ramrikhdas to Ralli Brothers before 1880 [20] Tarachand Ghanshyamdas, as is recorded in Chapter V, became banian to Shaw Wallace and Sevaram Khushalchand Malpani was eventually banian to Jardine Henderson [21]

Some Exemplars

Saraf and Musuddi

Tradition reports that Nathuram Saraf of Mandawa the first Marwari *banian* moved to Calcutta in the late 1830s as a supercargo on one of Sevaram Ramrikhdas goods boats from Mirzapur 500 miles from Calcutta [2] He got his initial employment under Ramdutt Goenka, then Sevaram Ramrikhdas chief clerk in Calcutta He became, again according to tradition, *banian* to Kinsell and Ghose (a Bengali Euro pean partnership of the sort that declined rapidly after the 1848 panic) According to tradition he displaced Nikkamal Khatri, then one of the leading Khatri *banians* Later and here our sources are firmer, he became *banian* to Hoare Miller one of the leading European firms Saraf s business expanded so rapidly that he called a large number of relatives and associates from Mandawa He opened separate *basa* for Brahmins and *bania* immigrants to accommodate those he called In 1870 he retired to his home in Mandawa and to Jaipur city, where he lived out his day as an important banker to the princes of Rajasthan

The *banianship* was given to his head clerk Ganeshdas Musuddi (died 1882), whose family continued it for many years [3] The Musuddi family firm was still *banian* to Hoare Miller in the 1930s as well as a jute and oil seeds broker to them It was running its own shop for im ported cloth in Calcutta

Goenka

Most *banians* did not retire to become court bankers They employed their resources to consolidate their position as heads of the Calcutta

[19]*Thacker s Indian Directory for 1878* (Calcutta 1878) pp 228ff

[20]Modi *op cit* pp 414-418 Sir Padampat Singhania Interview in Kanpur 1970

[21]Seth Gobind Das Interview in Delhi 1970

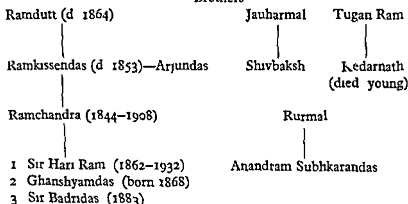
[2] Modi *op cit* pp 439 448

[23]*Ibid* p 500 *Arg I* pp 535 536

Marwari community, and extend their contacts in the European business community Occasionally, one family would provide *banians* to several British firms The descendants of Ramdutt Goenka, Nathuram Saraf s first boss, provided several such *banians*[21]

Ramdutt continued his duties as chief clerk for Sevaram Ramrikhdas Assisted by his patronage his brothers are reported to have started, immediately on their arrival in Calcutta, as commission agents and brokers At first Ramdutt had special relations with Kinsell and Ghose After the demise of that firm, he resigned his post with Sevaram Ramrikhdas and became an independent cloth broker to Kettlewell Bullen At about the same time, he founded his own firm, Ramdutt Ramkissendas (circa 1848)

Ramdutt Goenka Family Tree
Brothers



Apparently the family had early connections with the Greek firm founded by Alexander Ralli Sevaram Ramrikhdas was supposed to have been the Ralli *banian* first[25] Shivbaksh, Ramdutt s nephew was already employed in a responsible way by the Ralli firm before his uncle s death in 1864 One source reports that he was the actual executive of the firm[26] In any case, when Shivbaksh resigned as *banian* because of some differences with the Rallis in 1880, they were insistent on a Goenka replacement Ramchandra, Ramdutt s grandson, was made the Ralli *banian*, and the relationship continued

[21] Modi *op cit* pp 473-479 Sir Badridas Goenka *op cit*
[25] Sir Padampat Singhania Interview in Kanpur 1971
[26] Modi *op cit*

Ralli was the largest importer of cotton piece goods and among the leading exporters of raw jute and hessians This position was to no small extent attributable to the Goenkas efforts The same seems to have been the case with Surajmal Jhunjhunwala s relation with the Grahams Apparently, the new Marwari *banians* rose more by the progress of the firms with which they were associated, than by the initial act of getting their *banianships*

The Goenka firm retaind its association with Kettlewell Bullen—and after the turn of the century actively entered the jute trade Both Hari Ram and Badridas were recognized leaders of the Marwari community They were its representatives on the Calcutta local government, and later in the central legislature

Jhunjhunwala

Often linked with the Goenkas was the Jhunjhunwala firm at Grahams Lalchand Kayan had arrived in Calcutta in the 1830s from Surajgarh He established a firm, Lalchand Baldevdas, in opium and cotton, with branches all over Eastern India [27] He died in 1875 and his sons continued his business One branch of the family entered the stock market in 1915 and established a series of lead and canning factories in the 1920s

Lalchand s son in law, Surajmal Jhunjhunwala (1850[?] 1894), arrived in Calcutta in 1867, and by January 1868 had become a metal broker to the large Bengali owned firm Pran Kissen Law [28] He soon transferred to the firm s piece goods section and then left the firm entirely to work with Smellie and Co In April 1868, we find him back with Law as Senior Broker He was also made a broker to another firm owned by the Law family, headed by Abhoy Charan Law A decade later, in March 1879 Pran Kissen Law became piece goods *banian* and Surajmal, sole piece goods broker to Graham and Co Somewhat later, Surajmal seems to have taken over the *banianship* himself, as well as handling for a period the *banianships* of Hoare Miller (Musuddi) and Gladstone Wright while the heirs to those *banianships* were minors He died in 1894 and his leadership role and *banianship* were inherited by his son Shivprasad (1878–1935)

[27]Modi *op cit* p 431 *Agg I* pp 509 510

[28]*Raj Surajmal Jhunjhunwala Bahadur* and *Raj Bahadur Shivprasad Jhunjhunwala* typescripts n d Modi *op cit* pp 490–494 Kumud Lal Dey *The Law Family of Calcutta* (Calcutta 1932) listed in Jnanendra Nath Kumar *The Geneological History of India* Part I (Calcutta n d)

Jatia

Luckily we have extensive material on the large firms like Tarachand Ghanshyamdas The Goenkas and Jhunjhunwalas are listed in several biographical dictionaries, and I have read memoirs of some important members of those families The other leading *banian* who would complete the picture of the four firms we named, Sir Onkar Mal Jatia (1882 1938) has left less of a record, though I understand a biography is in preparation for him too Unlike his contemporaries, Hari Ram Goenka (1862-1932) or Surajmal Shivprasad Jhunjhunwala (1878 1935), he was not an active leader of the Marwari community [29] Sir Hari Ram prevailed upon him to make donations and attend key public meetings, but his primary orientation was toward the European business community Though impeccably orthodox in matters of food and worship, he preferred Western clothes and lived in a Victorian garden house on the Howrah side of the Hooghly River, across from Calcutta

His grandfather, Mahaliram, had been a partner in the firm Sadhuram Ramjidas, based in Khurja near Delhi which was one of the great firms we referred to earlier He probably moved to Calcutta to over see some of its operations, or after that firm s partition in 1838 The Jatia firm still maintains a large and old establishment in Khurja, an area with a large grain surplus and latterly a large cotton crop After the opening of the railroad in the 1860s the firm presumably shipped much of this wheat and cotton for export to Calcutta I should add that three large firms of Khurja all founded by former partners of Sadhu ram Ramjidas, continued to dominate Khurja till its recent decline as a grain market

The origin of the relation with the Yule firm (founded in 1863) to whom they became *banians*, is shrouded in mystery The connection dates from the time of Ramjidas, Onkarmal s father Tradition records particularly strong personal ties between Sir David Yule (1858 1928) and Sir Onkar Mal (1882 1938) There are also suggestions that the Jatia firm had helped David in his youth when he was cut off financially by his father because of some differences between them In any case, by the 1880s the relation seems to have been firmly established

Yule himself identified with India and Indian businessmen in a

[29] Modi *op cit* pp 424 426 Murlidhar Jhunjhunwala Interview in Calcutta 1970

unique fashion He was often called the white *bania* '[30] His office was one of the few in Calcutta in which Indian businessmen did not have to accept racial slights such as separate entrances, Europeans only benches, and so forth David Yule s donations to local public causes were significant enough to be singled out as unprecedented for a European businessman The commercial community of Calcutta rarely left much to Indian charities Even his widow continued his connections She returned in the early 1930s to use her wealth to assist a Marwari firm, Harisingh Nihalchand which was in severe financial difficulties [31]

In Bombay

European firms in Bombay too employed *banians* mostly Parsees and Bhatias two of the more prominent commercial communities there The Parsees and Bhatias did not abandon commerce, however as had many successful Bengalis As we note in the Bombay section of Appen dix A only a few Marwari firms like the Ruias and Chemiram Jesraj Poddar adopted these *banian* roles in Bombay As in Calcutta, these Marwari Bombay *banians* too, came almost exclusively from Shekhavati

Impact

Along with the economic basis of the great firms, the *banian* rela tionship and the subordinate distributing network provided the rea on for the Marwari *diaspora* On the basis of these networks arose the specu lative markets which I will deal with in the next chapter, and which are responsible for considerable redistribution of income in the commu nity Even more generally, the profits from these networks represented a fund that was used in the Marwari entry into industry

On the other hand these *banian* relations were essentially conser vatizing ones, in that the *banians* identification and subordination to *British firms kept them from an independent commercial policy of* their own The large *banian* firms did not move into direct import and export trade on their own They did not start industrial enterprises They opposed social reform and the nationalist movement at least in the early 1920s

The *banians* commercial position was dependent on their good

[30] George Slater *South India Its Political and Economic Problems* (London 1936) p 227

[31] Murlidhar Jhunjhunwala Interview in Calcutta 1970

relations with the British mercantile community in Calcutta Their social position within the Marwari community would have been threatened by the perturbations and fights which reform entailed In any case, the *banians* having prospered under the old order, human and divine, were reluctant to challenge it Any reformist urges had to be *sub rosa*, until the reformist strength was clear In the early 1920s the reformers were opposed by an almost solid phalanx of the leading firms in Calcutta Nationalist sympathies, which were natural in the traditionalist frame of reference many Marwaris held, had to be pursued discretely When a court case threatened to reveal secret donations by leading *banians* to the Congress in 1930, one of the *banians* committed suicide [3]

On the other hand, the role of being a broker to Europeans, as well as the necessity of continuously confronting their economic overlord ship meant that some felt more strongly the need to compete with them (See quotation from G D Birla in Chapter III) In the case of Chinese compradors, to whom the *banians* have been compared, close contact with British businessmen sometimes caused a nationalist reaction—and a desire to compete with the foreigner economically [33]

The conservatism of the *banians* began to change during the thirties at the same time that the traditional network of cloth distribution col lapsed, as a result of the development of the domestic textile industry and the boycotting of foreign cloth

With the possible exception of some of the new speculators like G D Birla it is not clear that any group within the Marwari community s elite were strongly nationalist before 1930 The nationalist and reformist movements seem to have been initially supported by those whose interests tied them less closely to the British, and one or two scions of old aristocratic banking families Those who were less explicitly nationalist or reformist like Sarupchand Hukumchand and Sadhuram Tolaram Goenka were however, sometimes early entrants into industry [34]

The complexities in leadership of nationalist movements, the combination of pro industrial and anti reformist attitudes suggest some problems in applying theories to the phenomenon of the *banians*

[3] Prabhudayal Himmatsinghka Interview in Calcutta 1971

[33] Hao Cheng Kuan ying The Comprador as Reformer *Journal o Asian Studies* XXIX (November 1969) pp 15 22

[34] See Chapter II

A Theory

One theoretical apparatus which exists to deal with groups like the *banians* is that used by Soviet scholars [35] They characterize business men of this sort as compradors, from the Portuguese compradors which was applied to those Chinese merchants who dealt for European houses on the Chinese market As an almost perfect counterpart of Sir Onkar Mal Jatia we have Sir Robert Ho Tung (1862 1956) of Hong Kong associated with Jardine Matheson and the only Chinese readily admitted to the English inner circle in that Crown Colony [36]

The Chinese compradors were apparently employees employed on contract to handle the Chinese side of the firm not independent businessmen working on commission In this way the Indian com pradors differ from the Chinese prototype which the Soviets use The functions they performed were often analogous however They were responsible for any defalcations by the businessmen and employees for whom they stood guarantee

In the Soviet framework these compradors are distinguished from the national bourgeoisie who are involved in trade and industry quite independently of European firms More generally the compradors are oriented toward foreign commerce, the national bourgeoisie toward the internal market the basic economic interests of which demand the independent capitalist development of the country [37] It is alleged the British could not meet the demands of the national bourgeoisie and they were thus led to support the nationalist movement From this distinction between compradors and national bourgeoisie flow some crucial generalizations Compradors will support imperialism and the national bourgeoisie will support the nationalist movements The compradors will oppose indigenous industrial development and the national bourgeoisie will support it

The causation may well work in the other direction The leading English firms may have discriminated in favor of those known to be especially favorable to British rule As Blair Kling argues this may have been a factor favoring the Marwaris in the period 1880 1920,

[35]Shirokov and Reisner *op cit*

[36]Hao *op cit*

[37]Amalendu Guha The Comprador Role of Parsee Seths 1750–1850 *Economic and Political Weekly* V (November 28 1970) pp 1933 36

when they were still relatively quiescent, politically, as compared, to the Bengalis [8]

In Western India Amalendu Guha suggests that the lack of connec tion between Parsees and previous regimes argued their loyalty to the British, and thus favored them as economic collaborators The growing militancy of Bengalis would have helped disqualify them On the other hand, there is little indication that the progressive group within the Parsee community was discriminated against commercially (Guha grants this in a footnote) or that specific Bengali firms were let go for their political deviations Bengali businessmen such as Pran Kissen Law remained relatively conservative too

But reality is complex, and Soviet scholars now focus on the dyna mics of the comprador s role In the early period economic activity as the comprador may be the only one possible Those with commercial ability may move into comprador functions As other functions be- come possible, the former compradors may transfer their capital and their interests into new lines of endeavor Or they may be tied to the nascent national bourgeoisie in a fashion which transfers their gains, as through a speculative market

In a recent Soviet study on the subject Shirokow and Reisner see this transformation as having occurred as early as 1918, and as confirmed in the period 1929 1933 [39] My own data especially in Chapter II, would indicate the persistence of many externally oriented firms for a longer period

Hao even grants that the very differentiation of the comprador role may be impossible

> The distinction between a comprador and an independent merchant is usually blurred a national capitalist might end up a comprador a prominent comprador frequently became a *bona fide* merchant and competed vigorously with his foreign counterpart [40]

The ideological effect of working with a foreign firm may be radicaliz ing (as with Birla) as well as conservatizing The gains from compra- dorship may enable opposition as well as collaboration

[38] Blair Kling Entrepreneurship and Regional Identity in Bengal in ed David Kopf *Ben al Regional Identity* East Lansing Michigan 1970

[39] Shirokov and Reisner *op cit* pp 5 9

[40] Hao *The Comprador in Nineteenth Century China* p 112

While some impact of the *banian* relation on the Marwari community impeded them from undertaking industrial entrepreneurial roles the total impact of the experience is ambiguous It is not clear that the *banian* phase was not a necessary one in their development

CHAPTER VII

Speculators and Industrialists

NATURE OF THE DATA

Unlike other episodes in Indian economic history, the speculative activities during and after World War I have left little in the way of records behind them Of the ledgers kept by the participants, most turn out to have been destroyed, or are unavailable Any account must rest primarily on the memories of the participants Of all potential sources, these are the most imprecise and hard to verify Only the crucial role of this speculation in Indian economic development justifies an at tempt on such a sketchy basis One can hope that researchers over the next few years, will uncover primary sources to add to our knowledge of this period, such as the *bahis* or old style ledgers of participant firms or businessmen s diaries

The amounts recorded are large and approximate It might be worthwhile remembering that they represent many times the purchasing power that similar sums would represent today The Indian rupee especially in regard to staple commodities has not been exempt from the inflation that has characterized the world economy since 1940

THE SPECULATIVE MARKETS

The futures markets of Calcutta in opium, specie and later hessians and raw jute, were started by Marwaris [1] Marwari firms record opium futures transactions in several ledgers I examined—one from as early as 1791 Several firms are noted in their firm histories as having proceeded to Bombay from Malwa in the 1860s to take part in the opium futures trade

The prominent Soni firm of Ajmer made its start with a successful speculation in opium in the 1820s [2] A group of Ramgarh bankers failed,

[1] *Agg I* pp 74-88
[2] Sir Bhagchand Soni Interview in Ajmer, 1971

apparently in 1859-60, because of an unsuccessful opium corner, though the details of this corner seem obscure [3]

The rapid oscillation in opium prices compounded by the unstable conditions of exchange between India and China, where the opium was sold, rendered the opium market particularly unstable It thus gave it the potential for producing speculative coups Regular opium futures trading by Marwaris in Bombay and Calcutta seems to have started in the 1830s [4]

It was in the opium futures trade that several of the first Marwari fortunes were made The leading Marwari opium speculators included J K Birla a founder of the largest industrial house in India today, and several figures such as Harduttrai Chamaria, Nirmal Lohia, and Sir Sarupchand Hukumchand Chamaria and Hukumchand were kings of the speculative markets in their day, and deserve some attention as types of *the successful speculator* Contrary to one myth, both were born, so to speak, in comfortable circumstances Harduttrai Chamaria s (1872 1916) father came from Fatehpur, in Shekhavati, to Calcutta in the 1840s [5] By the time we are able to follow his family s career, they were brokers in Calcutta to the prominent Bombay firm of Currimbhoy Ibrahim By the 1880s, they were able to buy real estate in Calcutta Harduttrai partitioned the family estate with his brother, Ram Pratap, in 1903 and the partition deed already included a considerable number of large buildings Hukumchand s family owned one of the largest state banking firms in Indore (Appendix A)

Both Chamaria and Hukumchand engaged in a wide range of enterprises Chamaria dealt in salt, gold, silver, and opium as well as conducted large-scale banking and a real estate business He organized the first silver futures market in Calcutta Similarly, Sir Sarupchand (1874 ?) was a major factor in opium, cotton state finance jute, gunny and hessians, specie, and, latterly, industry

It was opium however, that established Sarupchand and Chamaria as major financial powers Chamaria s fortunes were established quite early The honors and recognition accorded to the wealthy came to him By 1900 if not before he was a regular invitee to the Viceroy s

[3] Modi *op cit* pp 419 421

[4] *Agg I* pp 74-88 H L Dholakia *Futures Trading and Futur s Markets in Cotton* (Bombay 1942) p 29

[5] Keshavdeo Chamaria Interview in Calcutta 1971 Modi *op cit* pp 553-556

levees, and had been given the title of Seth by the Maharaja of Jaipur [6] Chamaria suffered some reverses at the end of the first decade of the twentieth century But he and Sarupchand regained their position in the dizzying speculations of 1909-1913, when the British policy of curtailing opium exports and the Chinese Revolution helped opium speculation reach its crescendo During 1909-10, when the British started restricting the number of opium boxes for export, the Indian market weakened Hukumchand bought Rs 20-25 lakhs of opium on bills of credit or *hundis* The price skyrocketed ten times, and Hukum chand cleared Rs 200 lakhs [7] Then in 1911 Chamaria was the key organizer in the syndicate, including *inter alia* J K Birla, which organized the entire opium trade and reaped rich profits

The stock market was a second major market for speculation The Calcutta stock exchange met informally from 1850 [8] The original brokers were mostly Bengali In 1863 a list of Native Sharebrokers shows few Marwaris by 1900, there were ten on a comparable list [9] Babulal Soonee of Didwana, Jodhpur, had been a merchant in Mirzapur, U P, before 1857 [10] During the revolt of that year, he is reported to have helped an Englishman who later, possibly around 1870 encouraged him to enter the stock market in Calcutta The firm was formally founded as Babulal Gangaprasad Soonee in 1892, but I have found references to Gangaprasad Soonee as a stockbroker from as early as 1872 [11]

Many of the most prominent figures in the market, such as Magniram Bangur Babulal Soonee s son in law, arrived a little later and mainly during the boom in coal shares in 1904 1908 [12] By 1905 more than one-fourth of the firms in the Calcutta Stock Market were Marwaris [13] Yet press lists of attendance at shareholders' meetings still show Marwaris in a small minority [14]

[6] *Englishman* Dec 20 1900 Dec 24 1903 p 7

[7] S Vidyalankar (ed) *Hukumchand Abhinandan Granth* (Delhi 1951) p 58

[8] A K Sur *Diamond Jubilee The Calcutta Stock Exchange 1908 1963* (Calcutta 1968) pp 41-43

[9] *New Calcutta Directory for 1863* (Calcutta 1863) p 49 *Thacker s Indian Directory for 1900* p 361

[10] Shreenarain Soonee *Interview in Calcutta 1971*

[11] In a *rokarvahi* of Tarachand Ghanshyamdas for 1872 1873

[12] Sur *op cit* pp 43-44

[13] *Ibid* p 117

[14] From time to time stockholders lists appeared in the press in connection with shareholders meetings It is possible to allocate the attendants to the various communities roughly on the basis of their names This does not insure

The *Bombay Gazetteer* of 1909 discusses several of the city's speculative markets The *Gazetteer* notes, with typical British disapproval the widespread existence of futures markets— gambling on the differences in rates'—in various commodities[15]

The Mercantile and Moneyed classes in the city perform an enormous amount of speculative business on behalf of upcountry constituents in Government Promissory notes the shares of joint companies, in cotton in oil seeds, in wheat in Rangoon rice, in Calcutta made gunny bags, and in gold and silver[16]

And also in opium Marwaris were early participants in these Bombay markets though their number remained relatively low The dominant Bombay speculators were Gujerati Hindus Parsees and Muslims

The brokers in Bombay were responsible for any defaults by their principals Standard contracts seem to have been the rule, and informal panchayats existed to arbitrate intra market disputes Formal organized markets, partially because of the British view that futures were illegal gambling transactions, came much later

The first of the markets to be organized in a formal way was appa

---

the completeness of the lists or tell us anything about the size of the shareholdings they represented For example

Capital Dec 24 1888 p 169 There were three Bengalis listed at a meeting of the Indian General Steam Navigation Co

Capital Jan 8 1889 p 214 At another company meeting most of those listed were Bengali but ten Marwari shareholders were represented by a Bengali attorney

Capital Feb 5 1889 p 303 The Shibpur Jute meeting listed nine Armenians nine Jews twenty nine Europeans six Bengali Hindus two Muslims and fourteen Marwaris (represented by a Jewish sharebroker)

Capital April 9 1889 p 501: The Bowreah cotton textile meeting notice listed eighteen Muslims twenty one Europeans one Parsee eight Bengali Hindus one Gujerati and twenty five Marwaris including Nirmal Lohia (1804-1889) a leading Marwari speculator

Capital April 30 1889 p 566 Nirmal Lohia is also listed at a Fort Gloster Jute mill meeting

Englishman Sept 12 1890 cited by R S Rungta *op cit* p 164 reports five Marwaris out of twenty seven listed at a Fort Gloster meeting

Englishman Jan 19 1905 p 15 Among listed shareholders at Fort Gloster Jute are Magniram and Ramkumar Bangur Ramkumar was Magniram's brother

[15] S M Edwardes *The Gazetteer of Bombay City and Island* I pp 299 300

[16] *Ibid*

rently that in shares The Calcutta Stock Exchange was formally organized and provided with quarters in 1908[17] A jute exchange had existed under European auspices since 1892, but one dominated by Indians was formed in 1906[18] The Bombay Stock Exchange was founded in 1875 and reorganized in 1909[19] Other futures markets remained informal until the period during and after the First World War[20]

Why the Shekhavati migrants showed such aptitude for these markets is not clear The Shekhavati region had a speculative tradition As noted by a British visitor in the 1870s[21] their home areas of Shekhavati and Bikaner had vigorous speculative markets There is no reason to suppose that these did not represent traditional institutions there The fact that their fellows were already doing a considerable ready opium business in the Malwa area, made the futures operation a natural extension for Marwaris It was one also for which they had superior access to commercial intelligence The sophistication of their banking system and system of accounting also provided the possibility for coordinated speculation[22] The Marwari migrants from Jodhpur state, who were far more numerous in the hinterland of Bombay, did not enter the speculative markets to any significant extent This possibly reflected their lack of an indigenous speculative tradition They had access to the same sort of large scale banking and commercial intelligence infrastructure as the Shekhavati firms, as represented by the large firms of Ajmer Perhaps the orientation of these Ajmer firms to more honorific forms of commerce, like state banking partially explains the absence of Jodhpuris in the speculative field Speculation was, however considered disreputable

[17]Sur *op cit* pp 44-45

[18]Thomas Timberg The Orig ns of Marwari Industrialists in Robert and Mary Beech (eds) *Bengal Change and Continuity* Occasional Paper No 16 Asian Studies Center Michigan State University South Asia Series (East Lansing Michigan 1971) pp 162 163

[19]G D Binani and T V Rama Rao *India at a Glance* (Bombay 1958) pp 930 and others

[20]Rishi Jaimini Kaushik Barua *Ramdev Chokhany* (Calcutta n d) p 45 The old opium panchayat in Calcutta for example included Harduttrai Chamaria Binjraj Choudhry Vishveshvarlal Chitraria Chunnilal Binani and Shivnand Rai Tiwari

[21]P W Powlett *op cit* p 93

[22] Timberg A North Indian Firm as Seen through its Business Records 1860-1914 Tarachand Ghanshyamdas A Great Marwari Firm *The Indian Economic and Social History Review* VIII (Sept 1971) pp 264-283

even by the established Shekhavati firms The very fact that the Shekhavati Marwaris were often latecomers to the big cities may partially explain their option for this route [3] More reputable branches of trade had been pre empted by early arrivals

Besides the factors of propensity and infrastructure, the Shekhavati speculative brokers had access to large accumulations with which to work These were the accumulated capitals of the large firms from that area established in inland trade and in intermediary trade in the ports In addition, their involvement with the intermediary role also gave them considerable access to the capitals possessed by private Europeans particularly for speculation on the stock market [24]

The First World War

The speculative markets of Calcutta were closed at the beginning of the First World War and their participants fled [25] Then slowly with the developing defence demand for sandbags the lagging jute industry received a fillip Most of the major jute shares increased three times in value from 1915 to 1921 [6] The price of a seat on the Bombay Stock Exchange went up from Rs 2,900 in 1914 to Rs 48 000 in 1921 [27] Speculations based on these developments in jute reflected themselves on both the ready and futures markets for jute shares raw jute and manufactured jute products such as gunny and hessians Profit possibilities in the import of cement and refined sugar were opened up by the cutting off of former sources of supply like Austro Hungary and the shortage of shipping Grain cotton and specie markets also fluctuated and provided speculative opportunities Marwaris were able to reap the rewards of speculation on all these markets

Among them Keshoram Poddar (1883 1945), the great grandson of one of the earliest Marwari traders in Calcutta Soniram Poddar specialized in the shares of the New Empire and Clive jute mills managed by McLeod and Co [28] He had started in business while in his teens, as an underbroker to Mitsui the leading Japanese firm in India Next, he went into the umbrella and umbrella cloth business Finally

[23]Modi *op cit*

[24]Beni Prasad Jhunjhunwala and Shreenarain Soonee Interview in Calcutta 1971

[25]*Capital* October 29 1914 pp 459 460

[6]Sur *op cit* pp 46-48

[27]Binani *op cit* p 931

[28]*Ibid*

he became a sugar broker, especially to Rallis, the pre-eminent European firm in Calcutta By 1909 he could afford to build his own house, and by the outbreak of the war he was already a prosperous merchant

When the First World War broke out, Keshoram Poddar rapidly became a leading stock market speculator Poddar used his stock holdings as leverage to be admitted to the restricted circle of firms permitted to deal directly in hessians and gunny bags with the big British firms [29] At the same time, Poddar started the import of sugar and cement from Java and Japan, to supply the wartime deficiencies [30] He developed close relations with various Japanese firms—to the extent that he was able to draw eighty lakh rupees on his account with the Yokohama Specie Bank in 1918 to complete a purchase [31] He became a major Calcutta real estate owner, especially of the blocks of luxury flats for Europeans which had been constructed over the previous few years primarily by Jewish and Armenian businessmen [32] He ventured into the taxi business ran ferries on inland waterways, bought a colliery and a flour mill, and loaned the capital to start the Hindi daily, *Vishva mitra* At one time, he dabbled in brick kilns, and was rumored to be cornering the brick market At his height, Poddar was supposed to have been worth Rs 3 crores, but his book keeping was rudimentary and his approach to business carefree The reverses he suffered in the post war crash turned out to be irreversible [33]

Baldevdas Dudhwawala, another leading World War I speculator, had an uncle who entered the stock market in 1880 After a period working in Mirzapur and Kanpur, Baldevdas and his brother Basantlal entered the stock market in Calcutta around the turn of the century, presumably with their uncle s sponsorship Baldevdas controlled trading in Kamarhatti Jute shares during World War I [34] At his height,

[29] Modi *op cit* pp 576 579 Nagarmal Kena and Purshottomlal Poddar Interview in Calcutta 1970 and 1971

[30] Confirmed in an interview with Ezekiel Jacob (Calcutta 1971) who worked with E Meyer through whose firm the sugar purchase was made Apparently both Meyer and Poddar thought they made a good transaction

[31] Purshottamlal Poddar Interview in Calcutta 1971

[32] Poddar Interview in Calcutta 1971

[33] The judgments given in his decline turn out to be considerable Keshoram sued his stockbroker for 50 lakhs and settled out of court for Rs 30 lakhs In 1926 we see a Lloyd s firm suing Keshoram for Rs 18 lakhs (*Englishman* March 7 1962 p 6)

[34] *Agg I* pp 363 367 Harish Sharma *Nathany Smriti Granth* (Calcutta 1966) p 54 Modi *op cit* pp 514-515

during the war he was making Rs 50 lakhs a year from the dividends on the stocks he controlled many of them purchased on bank credit Baldevdas apparently had particularly close relations with the British owned banks

A third prominent wartime speculator was the firm of Vishveshvar lal Hargovind, owned by Vishveshvarlal Halwasiya (1870 1925) and Hargovind Rai Dalmia, both from Bhiwani in Hissar District, ad joining Shekhavati [35] The firm was active both in shares and gunny (a Bhiwani specialty) Vishveshvarlal s father had been a jeweller in Hyderabad, his uncle had a prominent firm in Calcutta and Lucknow Hargovind Rai s father had established a firm in Calcutta in 1866 Established in 1890, when the firm Vishveshvarlal Hargovind was partitioned in 1921, each partner took away Rs 2 5 crores

G D Birla and M D Somani made sums in the gunny and stock markets as well G D s brothers (with a separate firm) also did well in various speculations in several different markets An informant esti mated that the total Birla worth rose from Rs 20 lakhs to 80 lakhs over the war years

Sir Sarupchand Hukumchand, whom I referred to earlier as an opium speculator extended his activities into many of the other specu lative markets during this period When he opened his Calcutta office in 1915, it did 50 lakh rupees of business on its first day [36] Hukumchand s speciality however, was cotton [37] Sir Sarupchand made Rs one crore in the accounting year 1914 1915 and 75 lakhs in 1918 1919 on the basis of successful cotton corners [38]

Primitive Accumulation

The mastery of capital these sums represent can be discussed in Marxist terms as Primitive Accumulation It is in this light that Amalendu Guha views the opium trade as a key element in enabling further Parsee growth in Bombay Guha argues

[35]Modi *op cit* pp 524 525 *Agg I* pp 23-24 and 31 33

[36]Harish Sharma *op cit*

[37]*Ibid*

[38]I found no press notes on Hukumchand s cotton operations mentioned in his biography The cotton corners of 1915 and 1914 are the only ones of the various speculative episodes on which I have found press notices (*Capital* April 1 1915 pp 728-729) The corners were led by Ramchandra Dungersidas (of Fatehpur Harduttrai Chamaria s hometown) and Ramdayal (manager of the firm Balchand Agarchand)

> Under colonial constraints the shipwrights and other artisans could not emerge straight as independent capitalist shipbuilders from their handicraft base—as has been explained earlier It was necessary for them to enter the lucrative field of export trade in raw cotton and opium for primitive accumulation under British patronage [39]

Guha had demonstrated in a previous article that British policy was a major cause for the decline of the formerly prosperous Western Indian shipbuilding and shipping industry The accumulations of funds in the hands of various Marwari merchants during the First World War period would seem to represent precisely the same phenomenon as that of the Parsees accumulation in raw cotton and opium

Marx s classic formulation of Primitive Accumulation at the end of the first volume of *Capital* emphasizes rather different aspects of this concept than would be represented by such an accumulation [40] Unlike many other concepts in that work there does not seem to be a single general definition of Primitive Accumulation Rather, it seems to be a description of the period which preceded the era of industrial capitalism, particularly in England The concrete character of the treatment continues in some later work [41] The emphasis is on the prepara tion of the proletariat through depriving them of independent means of subsistence and driving them into the labor market The preparation of the class of capitalists draws less attention

The lack of a generalization by Marx may indicate his peculiar open ness to variations in form at this stage—the stage in which some are enabled to offer employment and some to seek it

The size of the national product being determinate at any given point, the major task in starting the process of the creation of industrial capital is the diversion of claims over that product to those parties who will use it for productive investment In the societies with which we are familiar, these claims are usually expressed in monetary terms, and the moneys involved can be stockpiled in a way that few other goods can Thus these monetary claims could be accumulated in the hands of potential industrial investors over a long Primitive Accumu-

[39] Amalendu Guha 'The Comprador Role of Parsi Seths 1750 1850

[40] Karl Marx *Capital* translated by Samuel Moore and Edward Aveling Friedrich Engels (ed) (Modern Library edition) (N Y 1966) pp 784-848

[41] L S Feuer (ed) *Marx and Engels Basic Writings on Politics and Philosophy* (N Y 1959) pp 438-441 (letter to editor of *Otechestvennyi Otpiski* Nov 1877)

lation period, as a prerequisite to industrialization itself But they can equally well be transferred to such investors by sudden speculative episodes, or any other transfer of claims, and even by state fiat In speculation unlike some other forms of economic activity, someone s loss is immediately someone else s gain (disregarding the question of hedging services) The possibility of substituting a period of accumulation by a shorter episode is one of the ways in which what former writers characterized as prerequisites of industrialization, may be mere historical accidents of certain paths toward industrialization.[4]

Given this possibility for the substitution of prerequisites, it is not surprising especially in colonial situations where accumulations may already exist in some hands, if speculative markets serve as a major way to equip the indigenous businessmen with the money they need to transform into industrial capital

An emphasis on Capital (Primitive or otherwise) Accumulation has been disapproved by several writers on economic development These writers emphasize, in many cases, the roles of entrepreneurial groups One writer argues that the focus on capital countervails the entrepreneurial emphasis by seeing it and other so called preconditions of economic growth as a by product of capital accumulation [43] To adopt a familiar line he neglects the who whom aspect of capitalist accumulation The important thing is not that just any group gets possession of the societal surplus, but one that will invest it in socially preferred lines of endeavor It is not certain that either state bureaucracies or the commercial bourgeoisie will use their share of society s surplus over the amount allocated for consumption, wisely The determinants are the possibilities open to them and the skills and orientation they bring with them

The Fruits of Speculation

In any case, it was the speculative gains received by various Marwari businessmen that enabled some of them to start industries right after the First World War In particular both Sarupchand Hukumchand

[4] W Rostow *The Stages of Economic Growth* (Cambridge England 1960) Alexander Gerschenkron *Economic Backwardness in Historical Perspective* (Boston 196?) Gerschenkron *Europe in the Russian Mirror* (London 1970)

[43] Sayre P Schatz The Role of Capital Accumulation in Economic Development *Journal of Developing Societies* V (October 1968) pp 49 53

of Indore and G D Birla started jute mills in 1918 1919 [44] These were the first large Indian controlled jute mills In the latter case however, the equity was widely dispersed among other businessmen than the Birlas In the case of Hukumchand Jute the bulk of the capital was provided by Sir Sarupchand himself Keshoram Poddar bought a cotton mill from Andrew Yule for Rs 80 lakh in 1918 Hukumchand proceeded to start an insurance company a steel rolling mill, and added to his chain of cotton textile mills His first two mills were acquired in 1909 and 1913, both in Indore He added one in Indore in 1916, and took over the management of another in nearby Ujjain from his son in law in 1918 Hargovind Dalmia bought the Mathuradas Mills for Rs 5 lakhs in 1921 Harduttrai Chamaria s children set up two jute mills in the early 1930s In 1921, the Birlas floated a Rs 18 lakh equity textile mill in Gwalior, concessions by the Maharaja having determined the shift of its site from Delhi where they already had a mill

Other commercial innovations were enabled by the speculative gains In 1917, Birla Bros in the person of Sonny Gubbay, a Baghdadi Jew from Calcutta, became the first Indian owned Calcutta firm with its own export office for jute in London [45] The office had to fight hard to get into the market and was not admitted to the official Baltic Exchange for several years Its establishment coincided with the rapid rise of Birla Bros into the group of the top three exporters of raw jute, where it is to be found by the mid 1920s [46]

Others used their funds to invest in urban real estate and obtained the position of *banians* to British firms [47] Some of the funds were spent on charities—including the bulk of the funds (Rs 100 lakhs) collected in the Tilak Memorial Fund Drive by the Congress, the first major fund raising attempt by the Congress The period after the war as I note elsewhere, also covered a sudden explosion of social reformist and nationalist activity in the Marwari community [48]

[44] Thomas Timberg The Origins of Marwari Industrialists pp 164-166
[45] L N Birla Interview in Calcutta 1970
[46] Various listings in the Calcutta edition of *Commerce* in the 1920s
[47] Poddar and Dudhwawala were most prominent in real estate Harduttrai Chamaria himself started as a *banian* to James Taylor and E D Sasson before his death His sons became bank *banians* and continued in that line
[48] Timberg 'The Origins of Marwari Industrialists' pp 166-170

SECTION D

CONCLUSIONS

Further evolution of the Marwaris was heavily, though not solely, determined by the type of economic role they eventually found for themselves in their *diaspora* The great firms sometimes declined of their own weight, and perhaps of the disinterest of their incumbents Sometimes they moved their resources into industry and sometimes they did both The successful speculators took their profits into industry, or declined on the next turn of the speculative wheels of fortune and again sometimes they did both The most successful *banians* and brokers to British firms moved closer and closer to their principals, often inheriting their roles from them on their departure from India

A late First Secretary used to speak of many roads to socialism The Marwaris have played a not inconsiderable role in the making of India s capitalist road to development—a road which may or may not be preferable, or more costly, or more productive, than some hypothetical non capitalist alternatives But in the period discussed this was a road to which there was no alternative, if indeed there is one now

SECTION E

APPENDICES

APPENDIX A

Regional Details of the Marwari Migration

INTRODUCTION

This appendix presents a series of narratives of the settlement of Mar waris in their various areas of immigration and a list of Marwari in dustrial establishments in the 1930s The accounts rely heavily on the sample described in Chapter IV, as well as census and gazetteer data I also attempt to introduce case histories of prominent firms in each area who would exemplify the Marwari progress in that region

GEOGRAPHICAL SURVEY

Bombay City Migration

The migration of Marwaris to Bombay occurred somewhat earlier, at least in point of gravity, than that to Calcutta In the sample of 43 Ag garwal migrants to Bombay, 38 give their date of arrival in their firm histories Eight of these apparently arrived before 1860 All of these early migrants came from the heartland of Shekhavati, from towns like Ramgarh, Bisau, and Fatehpur [1] Several of the earliest firms, like their counterparts in Calcutta became *banians* to leading European importing firms and others became leading speculators By the time later waves of Marwari migrants arrived these first settlers formed a re- source group on which they could draw for support Many of the mig- rants arrived just before 1860 Their fortunes may well have been foun ded on their participation in the cotton export boom of Bombay during the American Civil War years, when the American competition in pro viding cotton to English mills was cut off

A later spurt of migration (of eight firms to be exact) seems to have occurred between 1890 and 1910, much of it via Indore in Central India Almost no firms in our sample list a later migration date This

[1] Among others *A g II* pp 152 153 155 345 346 *A g I* pp 281 283 and 323 324

last spurt might be tied to a simultaneous decline in the opium trade in Central India, in which many of the Marwari firms of the area had been involved

Our sample contains only 12 Maheshwari firms who migrated to Bombay, six of them from the same central Shekhavati region as the early Aggarwal migrants Only four of these 12 Maheshwari firms had arrived after 1870, although four did not give dates of arrival [2] This list of Maheshwari firms does not reflect, however, all the Maheshwari firms in the Deccan and Central India which must have maintained branches in Bombay

Our sample contains only 13 Oswal migrants to Bombay, 9 of them having arrived since 1870 These Oswal firms were mostly offshoots of businesses in Bombay s economic hinterland and they originated in Marwar, Jodhpur proper The grandfather, and an exception is the firm of the Riyawalas, springing from a vast multi branch firm that established a Bombay branch in 1812

In 1901, roughly 50,000 Hindus, 41,000 Muslims 1,000 Jews, and 51 000 Parsees belonged to traditional trading groups in Bombay, bringing the total in this category to roughly 150,000 out of a city population of one million [3] Already, according to the 1901 census there were 13,000 Rajasthani immigrants in Bombay, clustered around Crawford Market and Bhuleshwar [4] Immigrant Rajasthanis represented a little less than ten per cent of the city s merchant community population These 13,000 Marwaris included 2,000 from Udaipur 100 from Bikaner, 1,000 from Jaipur, and 7,500 from Jodhpur

The 1911 census gives us some exact idea of the number of Rajasthani mercantile immigrants in Bombay in that year [5] Of an immigrant mercantile caste population of 500 from Jaipur state 300 were business owners or clerks Of 2100 from Jodhpur 1600 were in the labor force, of whom 700 owned shops and 200 were domestic workers The rest were largely clerks Roughly half the Rajasthani immigrants belonged to commercial communities and almost all adult males among these were in business It seems reasonable to suppose that the Jodhpuris were mostly Oswals and Maheshwaris, and that the number of shops they accounted for by 1911 was more than twice that of the Jaipuris probably mostly Shekhavati immigrants

[2] *Mah* pp 590-591 427 429
[3] See table on Merchant Population of Bombay
[4] *Ibid*
[5] *Census of India 1911* Vol VI *Bombay* Part II *Imperial Tables* pp 216 217

Table 1

MERCHANT POPULATION OF BOMBAY

1901 Merchant Community Population	
Hindu	50 000
Muslim	41 000
Parsee	51 000
Jewish	1 000
Total	143 000
Marwari Immigrants in 1901	
from	
Udaipur	2 000
Bikaner	100
Jaipur	1 000
Jodhpur	7 500
Total	10 600

SOURCE *Census of India 1901* Vol XIA *Bombay (Town and Island)* (Bombay 1901) pp 160 165 and Part VI *Tables* by S M Edwardes pp 88 119 104-111

The *Bombay Gazetteer* (1909) notes Marwaris as leading figures in moneylending and speculation in opium, cotton, silver and gold[6] Among the classes who save money the Marwaris are pre eminent, being of extremely simple and thrifty habits

The Marwaris of Bombay city were mostly found in three general categories First there were commission buyers and sellers of cloth, cotton, oilseeds, grain and earlier of opium These included most of those from Jodhp r representing firms in the Deccan and Central India, and Shekhavati traders with their clients to the centre and east of India There were a few *baman* firms who were the final exporters and importers Finally, there were firms who dealt primarily on the speculative markets of Bombay, earlier for opium but later for specie

[6]S M Edwardes *Gazetteer of Bombay City and Island* (Bombay 1907) Vol I pp 206-302

(silver and gold), and on the stock exchange During their evolution many Bombay firms passed through several of these categories

As in Calcutta, the leading Aggarwal firms in the early period were the *banians*, chief brokers, to export import firms It was upon them that other firms depended, and it was their accumulations that underlay further progress One of the prominent *banian* firms, and later one of Bombay s leading Marwari industrialist firms, was that of Ramnarain Ruia

The Ruia family of Ramgarh had originally established their firm in Bombay in 1853 [7] Harnandrai Ruia (1831 1912) later separated his own business from that of his four brothers, and continued the opium business in which he specialized One of his four sons, Ramnarain began in 1883 as broker to the opium department of Sassoon J David, one of Bombay s leading Jewish firms In 1891, he became guaranteed broker to the firm s cotton department As guaranteed broker, he supported the firm by giving it a deposit in return for which he had to ap prove those who received cotton advances from the firm In return, he was probably rewarded by a commission on all sales Since Sassoon J David was one of the leading cotton merchants, these sales could have run to several lakhs of rupees Shipping records that once existed in all Indian ports seem to have been entirely destroyed, so I cannot say what the exact amount was here

Ramnarain soon became a leading figure in the cotton market Though the family had been earlier associated with industrial efforts, it took on its first managing agency of cotton textile mills as late as 1934 One of Ramnarain s brothers (born 1870) had a network of gins and a branch for cotton export in Kobe another was an important cotton merchant Several of his uncles continued as important cotton merchants in Bombay Several of the families listed in our sample, like that of Paliram Jhunjhunwala of Surajgarh in Shekhavati were subsidiary allies *in his various commercial ventures* [8]

Another of the leading Bombay *banians*, the firm of Cheniram Jesraj Poddar from Bisau, not far from Ramgarh was founded in Bombay before 1880 [9] The founder had served as an opium broker to the Tatas, one of Bombay s biggest Parsee groups, then and now, and died in 1887 Since the 1880s the firm Cheniram Jesraj, had been

[7] *Agg I* pp 1 8 235 240 and 216 218-219
[8] *Ibid* pp 269 272
[9] *Ibid* pp 216-219

the sole selling agency for four Tata textile mills, in addition to its interest in a chain of cotton gins and several manganese mines Firms owned by relatives traded in Tata cloth in several inland cities As with the Ruias, a group of migrant families were also subsidiary to this group[10]

Many of the speculative firms were equally old For example, Govindram came to Bombay as a pearl broker from Bagar, near Jhunjhunu in Shekhavati, around 1860[11] In the days of the cotton boom during the American Civil War he did well presumably His descendants, the proprietors of the firm, Chaterbhuj Piramal, were leading futures traders in cotton, oilseeds, and silver in the 1930s They also had industrial interests, and a chain of cotton gins all over Eastern India

Swarupchand Prithviraj Rungta, a second speculative firm from Bagar is also among the older Marwari firms in Bombay[12] It apparently arrived in Bombay in the 1840s to take part in the opium market Later the firm went into the stock market, and was involved in a whole range of industrial and commercial activities after the death of its founder, circa 1890

Even more notable for its speculators was Nawalgarh to the south of Bagar, near Jhunjhunu in Shekhavati Among the leading speculators in Bombay and Indore from this small town have been Ram Rikh das Parasrampuria, Govindram Seksaria and Anandilal Poddar[13] All of these speculators, like many of their counterparts in Calcutta, used their accumulations in speculation in the First World War and the 1920s to enter industry, and when conditions for investment were made more propitious by government action in the 1930s Seksaria had a chain of sugar mills in addition to textile interests in Bombay and Indore

Anandilal Poddar's efforts in industry, however, have been larger scale and more lasting[14] Born in 1874 in Nawalgarh, Anandilal first went to Calcutta in 1891 and on to Dibrugarh in Assam He returned shortly to Nawalgarh and set out for Bombay in 1895, where he became chief clerk to a commission agent After another trip to Nawalgarh in 1896 occasioned by the outbreak of the plague in Bombay, he set up

[10] *Ibid* p 112
[11] *Ibid* pp 529 531
[12] *Ibid* pp 26-29
[13] *Ibid*, pp 532 534 and 477 479
[14] *Ibid* pp 215 216 and a release A Short Life Sketch of Seth Anandilal Poddar n p, n d

an independent brokerage in grain, seeds, and cotton especially to the prominent Gujerati firm of Kilachand Devchand Like some other Marwari firms, Poddar was helped to break into large scale import-export trading by Japanese firms

The Japanese and Marwaris as "new men' on the Indian market were drawn to each other In 1919 Poddar was made chief broker to Toyo Menka Kaisha (Mitsui), the main Japanese cotton exporter from India This was a brokerage which finally resulted in Poddar s first industrial venture set up in 1926 as the Toyo Poddar Cotton Mills' It seems reasonable to suppose that he had extensive commercial dealings with the Japanese before 1919 or he would not have been made their chief broker [15]

Bombay was a port for a fairly extensive hinterland and many of its most prominent firms based their role on their function as intermediaries between the hinterland and the foreign commerce flowing through that port Notices of *banian* and speculator firms show the chains of gins, signifying the cotton purchasing agencies that were an important ancillary to a successful cotton export business

The main hinterlands of Bombay were Hyderabad in the Deccan, Gujerat, Sind, Central India including the Central Provinces and the Vidarbha region, and the southern areas of Bombay Province roughly corresponding to contemporary Maharashtra Hyderabad (Deccan) goods were normally exported through Bombay port Premier Marwari banking firms of Hyderabad such as Shivlal Motilal Pitty were also leaders in Bombay Sind s own port, Karachi, took most of her commerce and a group of Marwari firms became prominent there after the turn of the century These firms included the local branch of the giant Tarachand Ghanshyamdas which we treat elsewhere, and the large Mohta Maheshwari firm of Bikaner, famous as the founders of the Hermann and Mohatta engineering works [16]

In Gujerat, the local Gujerati trading groups dominated the scene The *Surat Gazetteer*, circa 1880, refers to 6 000 Marwaris in that dis

[15]Gozo Tsukada Interview in Tokyo 1970

[16]The *Census of India 1901* Vol IX A Part II *Bombay* (Bombay 1902) shows 2 600 Marwaris in Karachi the *Census of India 1911* Vol VII cited Part II Table XI pp 157 200 shows 3 700 *Census of India 1921* Vol IX *Cities of the Bombay Presidency* Part I *Report* by L J Sedgwick (Poona 1922) p xliii shows 5 400

Mah pp V-X ed Satyadev Vidyalankar, *Eek Samatv Yogi* (New Delhi 1950)

trict but I have found no confirmation of that statement even when investigating on the spot[17] Latterly, several Marwari firms opened branches in Ahmedabad to purchase cloth from the mills there Only in Central India and Maharashtra did Marwaris have full play, and here the opium trade was crucial

Among the leading Central Indian Marwari firms dealing in opium was that founded by Chimanram Singhania of Fatehpur (firm Gulraj Jagannath) In Bombay, his son Gulraj became sole opium broker to Sir David Sassoon, a Jewish merchant originally from Baghdad, and then the leading opium dealer in the port[18] Gulraj opened his own firm in 1852 which had branches in the major centres of India We find his firm listed in Calcutta in 1864[19] His business was large enough so that at one stage he paid Rs 2 750,000 tax a year on opium transactions to the government Gulraj Singhania, who died in 1873, apparently kept a diary still available in Fatehpur, which I was unfortunately not able to consult It is clear he was among the leading opium dealers of his day

The Ramdayal Hardayal firm was also focused on its Central India opium operations in Malwa[20] Ramdayal Newatia (1825 1918) was first a clerk and finally a partner in a Mehta banking firm in Ajmer He moved to Indore to start his own opium business and ended as a merchant in Bombay in Malwa opium and cotton His store in Bombay was founded in 1852, in Tonk in 1854, in Indore in 1856, in Calcutta in 1859, and in Jaipur and Ratlam in 1860 A little later expansion took the firm to Javra, Malwa in 1878, and Jhalrapatan in Jhalawar state adjoining Malwa, and Dewas in 1883 The firm made a good deal of money during the First World War, especially in cotton speculations It was wound up to permit its partners to retire The next generation were especially prominent as executives and managers in the sugarmill development of the 1930s

Ramdayal Newatia, incidentally, was a Vaishnava devotee He has left some published devotional work, in addition to an unpublished diary in Fatehpur, like his contemporary and neighbor, Gulraj Singhania

[17] V I Pavlov *Formirovanie* *op cit* p 220 citing *Bombay Gazetteer* Vol IX Part I *Gujarat Population Hindus* p 103

[18] *Agg I* pp 353-354 Devkinandan Kherwal Interview in Fatehpur 1971

[19] *Thacker's Directory* 1864 *op cit* p 84

[20] *Agg I* pp 401-404 Devkinandan Kherwal Interview in Fatehpur 1971

Calcutta City Migration

The Marwari migration was much more prominent in Calcutta than in Bombay The number of those born in Rajasthan does not seem to have been as great, however, as their influence would indicate Possibly the greater prominence in Calcutta is due to the vigorous competition Marwaris met with in Bombay from established Gujerati traders On another side Marwaris were strong in all of the commercial hinterlands of Calcutta, Bihar, Eastern U P , Orissa, Bengal, and Assam In several of Bombay s hinterlands, as we noted, they were absent In the remainder they faced competition from Gujerati and other indigenous trading groups [21]

136 Aggarwals from our sample, almost exclusively from Shekhavati and especially from its larger centres, went to Calcutta Bhiwani sent 10 Bisau 8 Fatehpur 11, and Ramgarh 8 The earliest settlers are not in our Bhandari sample, since their firms were wound up long before the publication of the directories on which that sample is based Some references to these earlier settlers are found in Modi s history Sojiram Hardayal a Ramgarh firm had a Calcutta branch dating from 1828 Nathuram Saraf, the first Marwari *banian*, came to Calcutta in the 1830s Twenty firm in our sample record their arrival before 1860, and before the construction of the railroad between Shekhavati and Calcutta [22]

An early report tells of 80 Marwaris in Calcutta in 1813, another of 600 in 1833 [23] The censuses show a steady climb in Marwari population from 1891 to 1911, and a levelling off thereafter The 1911 census shows 8 000 migrants from Jaipur and 7 000 from Bikaner (cf 6 500 from each in 1901 and 1,000 from Jodhpur) [24] The caste breakdowns indicate that these were overwhelmingly members of mercantile castes and engaged in business Those migrants from Rajasthan who were not merchants were ancillary to those who were

As is indicated in other sources most of the earlier migrants worked their way up the Ganges, through the river ports of Farrukhabad and

[21]See Chapters III V and VI

[22]*Agg I*, pp 367 373 277 278 150 151 357 361 513 515 and 487 489 *Agg II* pp 335 336 and 144-145

[23]Modi *op cit* p 402

[24]*Census of India 1901* Vol VII *Calcutta Town and Suburbs* Part IV *Report* (*Statistical*) by J R Blackwood (Calcutta 1902) p 52 *Census of India 1911* Vol VI *City of Calcutta* Part I Report by L S S O Malley (Calcutta 1913) p 15 For breakdown see *Census of India 1911* Vol VI Part II Table XI, Appendix A pp 32 55

Mirzapur These are areas in which Shekhavati Marwaris are still well represented The early Aggarwal firms were mostly in the imported cloth trade, and formed a resource group for new firms entering this field They are covered in some detail in Chapter VI

Initially the leaders of the community were clerks of the major North Indian firms located in Calcutta They were soon displaced, however, by those firms such as Surajmal Shivprasad (Jhunjhunwala) and Ram dutt Ramkissendas (Goenka) who were *banians* or guaranteed brokers to the leading foreign firms in Calcutta Here it is perhaps only neces sary to emphasize that the cloth import trade was the most important one conducted in Calcutta and the one in which the bulk of Marwaris got their start

The first Marwaris helped others to enter behind them We have al ready noted this about Ramdutt Goenka who arrived in the 1830s to be chief clerk of Sevaram Ramrikhdas, a large firm based in Mirzapur He not only established his own family as major cloth traders and *banians* but gave initial employment to many of his fellows, including Nathuram Saraf, who later became the first Marwari *banian* As Bhandari tells it

> Seth Nathuram was full of feeling for his caste fellows For plain Marwaris he opened a 'basa on the turn in Chitpur Road where they could live He also called his relatives and friends from hometo help him In Sutapatti Mandawa stores were numerous in comparison to other cities, because Nathuram gave special help to his townsmen [25]

One informant said there were once 45 cloth shops from Mandawa, specializing in the fine *melmel* variety of cloth in Sutapatti [26] Surajmal Jhunjhunwala, later *banian* to Graham and Co , is also supposed to have run a free *basa* Surajmal Jhunjhunwala himself was first called to Calcutta in 1867 68 by his father in law, Premsukhdas Kayan of Surajgarh in Shekhavati, who had himself arrived in the 1830s Another early *banian* Jugal Kishore Ruia of Ramgarh, was called to Calcutta in the late 1850s from Mirzapur, to work for the *deshwal* (non Marwari) Aggarwal, Babulal Aggarwal

[25] *Agg I* p 69 Modi *op cit* pp 439–449

[26] Murlidhar and Brahmdutt Jhunjhunwala Interview in Calcutta 1970 K L Dhandhania Interview in Calcutta 1971

Other Marwaris in our sample arrived as clerks to the great firms I mention in Chapter V Such are Harduttrai Motilal Prahlodhka, Ramrikdas Bhavsinghka, and Jainarain Poddar, all once clerks to Tarachand Ghanshyamdas

Other settlers represented offshoots from the great families dealt with in Chapter V themselves Such were Mamraj Rambhagat Dalmia of Chirawa, and Tarachand Ghanshyamdas

The purely speculative element in Chapter VII is also well represented in figures such as Harduttrai Chamaria of Fatehpur A wide range of other lines is represented in the grain and oil seeds trade and even lumber

An interviewee reported that the wholesale *kirana* trade (oil seeds and spices) was a Marwari field in Calcutta before the First World War The leading Marwari firms included Tarachand Ghanshyamdas, Jindaram Harbilas, and Bishundayal Hardayal Sureika [27]

Two or three Sanganeria names are especially prominent in the grain trade such as Ramniranjandas Badridas and Hardevdas Gurudayal For this reason Gurudayal was called chote (little) Ralli, since Rallis was the largest grain exporter in Calcutta [28]

Various Bagla firms, and that headed by Chimanlal Ganeriwala, were important factors in the trade of lumber and in Burmese rice [29]

Even more than in the import trade in cloth, Maheshwaris and Oswals played an important role in the jute trade But there were some early Aggarwal firms too The early records of the Jute Balers Association have been destroyed but a 1918 list shows that Marwari firms were the overwhelming majority [30] Only two firms in that list, however, were Aggarwals, those of Dulichand Kakraniya and Surajmal Nagarmal Since these were among the first firms in the field, they are deserving of some attention

Harsukhdas Kakraniya came to Calcutta from Chirawa in 1831, as a broker in spices and gram to a firm owned by a Chettiar from Madras He then moved to the prominent Muslim trader, Haji Zakariah Harsukhdas made his fortune during the cotton boom of the American Civil War He bought a jute press in 1867 from Haji Zakariah, which was renamed the Hooghly Hydraulic Press in 1880 Harsukhdas

[27] Modi *op cit* pp 494-496 430 *Agg I* pp 181 183 Interviews with Murlidhar and Brahmdutt Jhunjhunwala

[28] Modi *op cit* pp 511 513

[29] *Ibid* pp 479-489 *Agg II* pp 529 534

[30] R N Muhnot Interview in Calcutta 1971

leading hemp and jute baler, and in 1907, the first Marwari to ship jute abroad directly With the bottleneck in the jute presses, the balers who owned the presses controlled and led the trade

According to one account at the beginning of the war in 1914, there were 11 jute presses in the city of Calcutta Surajmal Jalan was in a good position to reap the rewards of the increased demand at wartime He had bought one press in 1911 and a second in 1913, and was to buy a third in 1916 With the profits from his jute trading he was able to start his own jute mill He used machinery in 1926 from one formerly located in Presidency Jail, Calcutta s leading penitentiary By the end of the First World War the Aggarwals, and pre eminently Surajmal Jalan, had caught up with the Oswals in the jute field

Marwaris and Indians in general entered late into the trade of hessians and gunny trade Few were in this business before World War I when some firms like Keshoram Poddar used his newly acquired economic power to be admitted as a broker Among the earlier entrants in hessians and gunny were several firms from Bhiwani in Hissar dis trict adjoining Shekhavati

One of the most prominent of these was that founded by Mukhram Kanoria (1858 1933) He went from Bhiwani to Calcutta in 1873 as a clerk to the Calcutta branch of a Delhi firm [34] His two sons, Lakshmi Narain (1883 1933) and Bansidhar (1893 1926), founded a firm in 1898 which was partitioned in 1931 It became a leading dealer in hes sians and was especially closely connected to the jute mills managed by McLeod and Co It would appear that the family s connection with the firm dates from 1887 and includes a sole brokerage arrangement for the firm s gunnies When McLeod and Co took over the manage ment of Soorah Jute in 1907 L N Kanoria was the only Indian on the board as he also was when the Empire Jute Mills were floated by McLeod in 1912 14 The Kanoria firm founded the first jute mill of its own in 1935 Another gunny dealer of Bhiwani was a Jat a member of a farming caste, Sir Chajuram Chowdhury who was among the wealthiest people in Calcutta at the end of the First World War [35] In this caste affiliation he is unique among successful Marwari industrialists

Almost all the other leading firms entered and prospered in the hes sians market during World War I One source notes that one Indian

[34]*Agg II* pp 567-570 J K Barua Interview in Calcutta 1971
[35]Modi *op cit* pp 573-575

firm, Dawood Beg Mohammed, was among the top 15 shippers of hessians in 1914 [36] By 1918 two more, those of G D Birla and Sir Sarupchand Hukumchand had joined in

Aggarwals were also pre-eminent in industry, speculation, and other fields in Calcutta but these are dealt with at length in other places in this volume

In my sample the 64 Maheshwari Calcutta migrants come largely from the immediate neighborhood of Bikaner, 44 to be exact and nine others come from the Shekhavati area, mostly the section around Churu and Sardarshahr that was in Bikaner state [37] Their most typical job seems to have been to run retail cloth shops However, prominent firms moved into speculation in jute, shares, and hessians, and later into jute trading itself Many Maheshwari firms continued the highly developed banking firms for which Bikaner has been famous for centuries In 1930, the bankers of Bikaner were reported to have a capital of Rs 56 6 lakhs [38]

One of the largest Maheshwari firms in the cloth trade was Sadasukh Gambhirchand (Kothari) which may illustrate the type of the first Maheshwari firms in Calcutta [39] Sadasukh came to Calcutta from Bikaner in the late 1830s After a short period with another firm he set up his own firm to trade in gram, and soon switched into cloth By 1902 he was enough of a force in imported cloth to build Sadasukh Katra, still a leading wholesale cloth market Sadasukh died in 1912 but his descendants continued as landlords and bankers in Calcutta Urban real estate was another Maheshwari specialty

Most of the Maheshwari firms arrived in Calcutta after 1880 For example Jai Singh Das Daga of Barasalpur in Jaisalmer state arrived in Calcutta in 1891 He was joined by his brothers all of whom founded cloth firms dealing as was often the case in both imported and domestically manufactured cloth [40] By the 1920s Jai Singh Das various descendants were to be found not only in the cloth trade but also in bank *banianship* Later they even owned a sugar mill

[36]Bagchi in Mukherjee and Leach *op cit* p 242 citing *Indian Jute Mills Association Report of the Committee for the Year ended 31st December 1914* (Calcutta 1915)

[37]Ed Hariprasad Maheshwari and Damodar Das Daga *Maheshwari Sabha Swarn Jayanti 1914 1964* (Calcutta 1964)

[38]*Report of the Bikaner Banking Enquiry Committee* p 106

[39]*Mah* pp 506-508 Modi *op cit* p 518

[40]*Mah* pp 273-274

crore He owned a jute press and market of his own outside Calcutta

The neighbouring towns of Ladnu, Sujangarh, Bidasar, and Chapra shared an interest in jute The Vaids of Ladnu were also a leading firm in the jute field [47] The Digamber (Khandelwal and Aggarwal) Jains of Ladnu were also among the leading jute merchants Puranchand Singhi came to Calcutta from Sujangarh in 1823 and was assisted there by some connections with the prominent Murshidabadi family of Keshavdas Setabchand [48] His grandsons, Jesraj and Pannachand, were prominent jute traders under the firm name of Jesraj Girdharilal In 1906 this firm cleared Rs 20 lakhs in its jute baling operations alone

In our sample there are fourteen Oswal firms from Sardarshahr in Bikaner who moved to Calcutta The most prominent was founded by Chainrup Dugar who came to Calcutta in the late 1840s and died in 1893 [49] His son, Sampatram, born in 1866 was among the first Calcutta Marwaris to go into direct cloth import Later somewhat before World War I the firm retired from active participation in the cloth trade and limited itself to moneylending and real estate Sampatram spent his entire life in Sardarshahr and ran his Calcutta firm through agents, pre eminently Bahadurmal Rampuria from Bikaner City Bahadurmal founded his own firm Hazarimal Hiralal in 1883, and passed on to his descendants some of Chainrup Sampatram s position in the cloth market [50] After the First World War, the Rampurias purchased a cotton textile mill on their own, and were the first Calcutta Oswals to do this

Following the leadership of Chainrup Sampatram the other Sardarshahr firms were originally in the cloth trade After 1900 however, several of them switched into jute Tarachand Sethia, for example, had come to Calcutta in the 1860s as a cloth trader His son Ravatmal, broadened his interests into jute in 1896 [51]

Among the large Oswal delegation from western Shekhavati those from Churu and Fatehpur were pre eminent One of the more prominent Churu firms was that established by Rukmanand (1819 1915) in 1836 as Rukmanand Bridhichand [52] The firm was partitioned in 1905 and by the 1930s there were 14 successor firms in Calcutta and others in Bombay, Rangoon, Bhiwani, Farrukhabad, and Ahmedabad The

[47] *Ibid* pp 185 186
[48] Modi *op cit* pp 571 572
[49] *Os* pp 407-408 Modi *op cit* pp 509 511
[50] *Ibid* pp 513-515
[51] *Ibid* p 486
[52] *Ibid* pp 277 283 Modi *op cit* pp 435 438

troops were stationed in India The provisioning of this military effort, as well as the salvaging of its leavings, presented major commercial opportunities Finally particularly after 1942, the consciousness that British rule in India was finished caused British firms to seek to sell their Indian assets to Indians [54]

In Calcutta, more so than in their other centres, the Second World War and independence marked a breakthrough for the Marwari community Until the War, the Calcutta business world was dominated by British firms Indian firms were very definitely a secondary factor

All sectors of the Marwari community moved into roles vacated by the British and enabled by post independence developments Those with established commercial and industrial positions were foremost The ranks also included many formerly less prominent persons like Haridas Mundhra who was the first Bikaneri to enter the very largest class of industrialists

The profits of the war period were continued until the imposition of controls in 1951 52 and to some extent until 1962 by a period of investment opportunities The government gave considerable facilities to any industrial investor government loans, relatively freely available foreign exchange, and almost total tariff protection The Marwaris and Gujeratis in particular, because of their long term support of the Congress combined access to its leaders with a modicum of faith in its rule The Golden Age of Marwari expansion followed As we noted earlier, from a situation where they controlled only a handful of companies in 1931, Marwari firms were held to control one sixth of the total in 1951 From composing less than 5 per cent of the directors of these companies, they composed almost one fourth in 1951 [55]

The Monopolies Inquiry Commission of 1964 gives us some bench marks Some 75 business groups, as I noted earlier owned 46 9 per cent of all non bank, non governmental corporations The Marwari groups among them were responsible for roughly half of this total mostly in post independence creations [56]

Of 151 companies of Birlas, less than 20 date from before 1945 Of those Indian groups with a Calcutta base, only 3 4 were not Marwari 7 8 were European and 12 were Marwari The enterprises of these Calcutta based groups are predominantly post war Most are new crea

[54]Francis G Hutchins *Spontaneous Revolution The Quit India Movement* Delhi 1971

[55]B B Misra *The Indian Middle Classes* London 1961 p 250

[56]MIC *op cit* p 122

tions, though a significant group were purchased from the Hyderabad State Government and elsewhere Of the 81 companies listed by Bangur, all but two of the industrial enterprises date from after independence Several of these were purchased from others A somewhat larger proportion of the 46 firms of the Singhanias are pre independence acquisitions The Jatias and Goenkas as industrial groups are post independence phenomena The Jaipurias had very little in the way of industrial interests before 1946

In the smaller scale industrial sector, the Marwari predominance is not as great Nonetheless a rapid check of the Calcutta phone book shows half the industrial firms to be managed by Marwaris, as compared to roughly a quarter in Bengali hands and one-eighth each belonging to European or other Indian groups

EASTERN INDIA

Assam The first Marwari firms to settle in Assam were Murshidabadi firms from the south They settled in the border port of Goalpara in the early nineteenth century before Assam was incorporated into British India in 1818 Goalpara, one of the first towns across the Assam border on the Brahmaputra River, was a natural centre for trade between British India and the still independent Assam Several Marwari firms from Murshidabad had branches there [57] The most important of these Murshidabadi firms was probably Mahasingh Rai Meghraj Bahadur [58] Descended from the Diwans of Jodhpur and Jaisalmer, Mahasingh Rai Kothari mortgaged his house in Ghertsar near Bikaner to come to Azimganj, Bengal around 1812 The Golecha family there soon sent him as their clerk to Goalpara

Mahasingh soon called his two younger brothers to join him and started his own business, mostly in grain and opium The British apparently once offered him the lease of the entire Assam opium purchase monopoly The firm s Calcutta branch probably dates from the 1820s Mahasingh s son Meghraj (1849 1901) continued the business in the major centres of Assam, acquiring urban real estate there, and establishing provision stores in many tea gardens He also provided banking services for many of the newly migrant Marwari merchants, as well as

[57]N K Sinha *op cit* pp 74-75

[58]Modi *op cit* pp 503-504 Os p 662 J S Kothari Interview in Calcutta 1971

the British planters At its height the firm had 82 branches, though many of these branches returned a profit of only a couple of hundred rupees a year

One source reports that the first Aggarwal immigrant to Assam was the father of the latterly prominent Harbilas Aggarwal, who arrived in Assam from Churu in Shekhavati, soon after the British conquest of A sam in 1818 [59] Harbilas father apparently took an Assamese wife and adopted an Assamese lifestyle He established his headquarters in Tejpur Harbilas himself even wrote poetry in Assamese He established branches in Tejpur, North Lakhimpur, and Dibrugarh He was one of the first Indians to purchase a tea garden in 1868 called Tamul bari, an area of 230 acres in the early twentieth century Despite his as imilation to Assamese ways of living Harbilas retained his ties with the Marwari community and assisted many later Marwari migrants in coming to Assam

Of those Aggarwals in our sample we note that five arrived before 1860 [60] The bulk arrived, however, in the period of 1870-80 The ear lier settlers had a tendency to settle further down the Brahmaputra val ley in Gauhati and Shillong, the later settlers further up in North Lakhimpur

Two towns in Shekhavati in particular were well represented in Assam Lakshmangarh (six in sample) in Sikar State and Ratangarh (thirteen in sample) in Bikaner state Another few immigrants came from the towns adjoining Lakshmangarh, nine from the major centres of Sikar estate, and a few more from the north of Jodhpur state, especially Didwana My sample shows Ratangarh emigrants concentra ted in Gauhati and Tinsukhia, and those from Lakshmangarh in Gau hati and Dibrugarh From my description of the incremental factor one can hardly be surprised that the actual migrants tend to concentrate by points of origin

The 1881 census showed roughly 2,400 persons born in Rajputana in Assam to be roughly doubled in number in 1891 and again by 1901 The 1901 Assam census shows 9 000 Marwari immigrants, almost all in the Brahmaputra Valley and especially in Sibsagar and North La khimpur Districts, at the far end of the valley By 1911 the figure had

[59] *Rashtraseti Shri Hanumanbaks Kanoi Abhinandan Granth* (Dibrugarh 1969) pp 18 20 *Assam District Gazetteers* Vol VIII *Lakhimpur* by B C Allen (Calcutta 1905) p 236

[60] *Agg I* pp 491 492 231 518 519 183 and 147 150

gone up by 2,000, by 1921 to 16,000, and by 1931 to 22,000 [61] The slowing down of immigration between 1901 and 1911 is probably connected with the severe cholera epidemic of 1905-1907 in Assam [62]

The number of Oswals indicated in the census are not reflected in my sample The 1891 census reports 1,352 Oswals [63] The fact that the census notes that these Oswals were called "Kayahs" may mean that many of them were Murshidabadis, for whom this name is used in Bengal The Kayahs were mostly in the southern areas of Assam near Bengal where the Murshidabadis were established, which would strengthen this assumption In the Oswal census returns in 1901 and 1911 [64] almost none of the general Marwari population increase is reflected

The Assamese Marwaris ran shops on tea plantations and financed the tea planters by means of the *hundis* used for remittances to and from Calcutta "Almost the entire internal trade, the procurement of such export goods as rubber, cotton, long pepper, silk, etc and the distribution of various manufactured goods was in the hands of the Marwari community right from the beginning of British rule" [65]

The Assam Gazetteers published in 1905-1906 show the extent of Marwari influence [66] The Lakhimpur volume reports that Marwaris in that district are centered at Dibrugarh, and control almost all of the district s trade The Sibsagar volume says that they are the prime merchants The Goalpara volume says that they are the "wealthiest and most important merchants" The Darrong volume says that wholesale trade is a Marwari monopoly and the Nowgong volume that import

[61] *Census of India 1901*, Vol IV *Assam* Part I by B C Allen (Shillong 1902) p 38 *Census of India 1911* Vol III *Assam* Part I *Report* by J Mc Swiney (Shillong 1912) pp 34 39 *Census of India 1921* Vol III *Assam* Part I *Report* by G T Lloyd (Shillong 1923) p 56 *Census of India 1931* Vol III *Assam* Part I *Report* by C S Mullan (Shillong 1922) pp 44-45

[62] *Census of India 1901 Assam op cit* p 16

[63] *Ibid* p 141

[64] *Census of India 1901* Vol IV A *Assam* Part II *Tables* (Shillong 1902) Table XIII pp 83 131

[65] Amalendu Guha "Socio-Economic Changes in Agrarian Assam" in ed M K Chaudhuri *Trends of Socio-Economic Change in India 1871-1961* (Simla 1969) p 572

[66] *Assam District Gazetteers* all written by B C Allen Vol III *Goalpara* (Calcutta 1905) p 102 Volume IV *Kamrup* (Allahabad 1905) p 182 Vol V *Darrong* (Allahabad 1905) pp 79 and 181 Vol VI *Nowgong* (Calcutta 1905) p 177 Vol VII *Sibsagar* (Allahabad 1906) pp 75 191 Vol VIII *Lakhimpur* (Calcutta 1905) pp 235-236

trade is also in their control[67]

The tea garden stores were not only supply stores for the workers, but also genuine company stores Their monopoly of retail trade inside the tea plantations was connected with considerable credit to workers, and thus indirectly to the tea plantation owners The owners could borrow money from the store owners by taking *hundis* or bills drawn on them, or some nearby traditional banker, and encashing them at a Calcutta Marwari firm s office The store owners provided the plantation with cash for payroll expenses, which they got back by selling their goods to the plantation employees In other words, a quantity of money or sometimes credit was in continuous circulation back and forth from the storekeepers to those on the plantation Some of the proceeds of tea sales were remitted as repayments of loans to the storeowners so they could pay for the goods they shipped into the plantation Needless to say this made storeowners and the plantation managers each other s credit sources of first resort A few multi garden tea companies for whom I have published histories refer to the close relations they built up with their storekeepers and other Indian banking firms

The Marwari monopoly of the inland grain and cloth trade, noted by my sources, was facilitated by the fact that both the retail outlets of tea garden and small village shops and the higher level wholesale trade located in Calcutta were heavily Marwari

Indian firms had great difficulties moving into running tea gardens themselves The gardens that are noted in the case of Marwari firms before independence are usually much smaller and less profitable than the norm Lack of experience was certainly a factor here, but the British monopoly of the field and the staffing of the export market entirely by Europeans were undoubtedly also negative factors

In the 1930s and after independence the Marwaris moved rapidly in acquiring tea gardens, both directly and through the purchase of shares on the Calcutta market A directory of tea plantations (1961), giving the names of proprietors and managing agents, shows just a little less than half were still British controlled[68] In so far as it is still possible to separate the gardens on the basis of the community which owns them the Marwari gardens appear to constitute a third

[67]H A Antrobus *A History of the Assam Company 1839 1953* (Edinburgh 1957) H A Antrobus *A History of the Jorehaut Tea Co Ltd 1859 1946* (London 1948)

[68]*The Assam Directory and Tea Areas Handbook 1960 61* (Calcutta n d)

of the remaining gardens by numb r and far more by acreage The 1960s saw considerable British withdrawal both at the plantation level and in managing companies, so that the Marwari participation has obviously improved

Assam has experienced a succession of anti Marwari riots, and more serious anti B ngali ones continuing into the post independence pe riod It is here that the community finds itself confronted by certain nativist movem^nts Whether the further partition of Assam state into several smaller units will affect the community s welfare remains to be seen

Bihar and Orissa On the basis of three firms the Orissa representa tion in my sample is much too small to say anything The 1911 census, however, notes as many as 4 000 Marwaris in that area [69] The 1921 cen sus hardly shows a significant increase [0] The *Puri District Gazetteer* for 1908 reports the Marwaris as leading cloth merchants and grain tra ders [71] The only extensive body of data I was able to find on Marwaris in Orissa comes from a community census of Marwaris conducted in 1945 [72] The census recorded 2 720 families with 35 000 members owning 27 rice mills 8 oil mills, and 10 flour mills In the attached list of firms, 28 note their villages of origin and six of these firms turn out to be from Nawalgarh in Shekhavati In any case the study makes clear that the migrants were overwhelmingly Shekhavati Aggarwals and the arrival date seems to have been about 1900

I found fuller data on the Bihar area From 4,000 immigrants from Rajputana in 1891 (and not much lower in 1881) the number rose to around 11 000 by 1901 and 13,000 in 1911 [73] The Marwari population of both Bihar and Orissa in 1921 is recorded as 18 000 [74] However,

[69]*Census of India 1911* Vol V *Bengal Bihar and Orissa and Sikkim* Part III *Tables for Bihar and Orissa* (Calcutta 1913) pp 68-86

[0]*Census in India 19?1* Vol VII *Bihar and Orissa Tables* (Patna 1921) pp 94-101

[71]*Bengal District Gazetteers Puri* by L S S O Malley (Calcutta 1908) pp 71 and 177

[72]Nandvani *op cit* pp 108 153

[73]*Census of India 1911* Vol V *Bengal Bihar and Orissa and Sikkim* Part I (Calcutta 1913) pp 68-86 *Census of India 19?1* Vol VII *Bihar and Orissa Tables* pp 94-101 *Census of India 1901* Vol VI A *The Lower Provinces of Bengal* Part II (Calcutta 1902) *Census of India 1891* Vol IV *The Lower Provinces of Bengal* by C J O Donnell (Calcutta 1893) pp 345ff

[74]*Census of India 1911* Vol V *Bengal Bihar and Orissa and Sikkim* Part III *Tables* pp 68 86 *Census of India 19?1* Vol VII *Bihar and Orissa Tables* pp 94-101

since even the 1891 census notes that the Marwaris in Patna division were mostly settled with their wives, there may have been a large number of Bihar born Marwaris even at the date of our earliest figures These Bihar born Marwaris are not counted in my migration figures The 1911 figures show that roughly 1/6 of the income tax payers in the Bihar area were Marwaris [75]

Bihar was almost exclusively a stronghold of Shekhavati Aggarwals The Marwari firms there seem to be spread out all over the state, based in the smaller villages and especially involved in trade in grain and oil seeds, and earlier in indigo and opium

There are eighteen firms in my sample who arrived in Bihar in the period before 1860 The earliest two of these arrived in Patna and Bhagalpur respectively around 1810 [76] Not surprisingly many of the first Marwari settlers stopped in Patna and Bhagalpur, the next two major ports on the Ganges after Mirzapur But soon we find them scattered out in the area to the north such as Darbhanga and the south such as Gaya, and finally to the far south around Ranchi The development of the coal and mica industries in the twentieth century drew many more to this southern and now more industrial region

The Rajgarhias, the most prominent mica dealers, moved from Fatehpur to Rajgarh in Bikaner in the middle of the eighteenth century [77] Ganpatrai Rajgarhia went to Calcutta in 1878 At first he dealt in kerosene and then in cloth Finally an American, in a chance meeting suggested mica—the field in which he soon became pre eminent His first mines were located in Bihar, in Hazaribagh and Gaya districts Ganpatrai died in 1918, but his sons continued his business jointly as well as launching out on their own in various other lines His eldest son founded a jute mill in 1930 Ganpatrai s younger brother, Juharmal, started in business with him in Calcutta but soon moved on his own to Raniganj and then to Giridih in South Bihar where he started an oil mill In 1881 he closed the mill, and opened his first mica mine He died in 1904 but his sons continued to open mica mines in different parts of Bihar with offices for export in London (1912) and Hamburg (1918) By the early 1940s the Rajgarhias had 8,000 employees, mostly in their mica mines

After World War I Bihar Marwaris also took some part in the

[75] *Census of India 1911* Vol V *Bengal Bihar and Orissa and Sikkim* Part I *Report* by L S S O Malley (Calcutta 1913) p 586

[76] *Agg I* pp 95 96 and 471

[77] *Agg I* pp 375 380 *Agg II* pp 429–434

exploitation of the Jharia coal field in Bihar Fulchand Goenka, a Marwari pion er in Jharia, arrived in Jharia from Churu in the 1880s to open a cloth shop[78] In 1910, he got a mine in the Raniganj coal field in Bengal on lease from a British firm Though this mine was not a particularly rich one with a heavy demand for coal during World War I, the price reached Rs 30/35 a ton and helped the firm to pull through In 1925 the firm took a second mine on lease, this time in the Jharia fields Together the leased mines yielded 3 4,000 tons, though this was not comparable to even the smaller of the British mines It was only in the 1930s that the firm was able to purchase further mines on its own Another related firm also leased a Raniganj mine in Bengal in 1910 listed in my sources as Shivkarandas Balmukund Goenka[79] These seem to have been isolated pioneers, however, in the period covered in this volume

The Bihar Marwaris fall into several categories I have already described some of the early industrial and mining pioneers A few Marwari firms were large scale bankers and financiers who sometimes succeeded in purchasing landed estates themselves According to a witness in a hearing on banking in 1930, there were then 8 10 such bankers in Bhagalpur with Rs 1½ to 2 lakhs of deposits and probably twice as much of their own capital[80]

The most prominent Marwari industrial firm in Bihar was that of Ram Krishen Dalmia, founded in the 1930s Dalmia rapidly developed a cement and sugar complex here His importance in the state is indicated by the fact that, for much of the 1930s, he was able to meet the provincial Congress budget out of his own pocket[81] The Rajgarhias with their mica mining interests continued to be important in the overall economy of the state

After independence industrial development was substantial in Bihar, though especially so in the period of political turmoil in West Bengal of 1967 71 There seems to be a lot of medium size industry being started there not a little of it by Marwaris In the 1930s however the most significant industrial development in Bihar in which the Marwaris took part was that of the sugar and vegetable oil industries which I will treat when I treat developments in U P

[78]Shivbhagvan Goenka Interview in Calcutta 1970

[79]Shivbhagvan Goenka Interview in Calcutta 1970

[80]*Indian Central Banking Enquiry Committee* 1931 Vol III (Calcutta 1931), pp 148-152

[81]Conversation with Stanley Kochanek 1969

since even the 1891 census notes that the Marwaris in Patna division were mostly settled with their wives, there may have been a large number of Bihar born Marwaris even at the date of our earliest figures These Bihar born Marwaris are not counted in my migration figures The 1911 figures show that roughly 1/6 of the income tax payers in the Bihar area were Marwaris [75]

Bihar was almost exclusively a stronghold of Shekhavati Aggarwals The Marwari firms there seem to be spread out all over the state, based in the smaller villages and especially involved in trade in grain and oil seeds and earlier in indigo and opium

There are eighteen firms in my sample who arrived in Bihar in the period before 1860 The earliest two of these arrived in Patna and Bhagalpur respectively around 1810 [76] Not surprisingly, many of the first Marwari settlers stopped in Patna and Bhagalpur, the next two major ports on the Ganges after Mirzapur But soon we find them scattered out in the area to the north such as Darbhanga and the south such as Gaya, and finally to the far south around Ranchi The development of the coal and mica industries in the twentieth century drew many more to this southern and now more industrial region

The Rajgarhias, the most prominent mica dealers, moved from Fatehpur to Rajgarh in Bikaner in the middle of the eighteenth century [77] Ganpatrai Rajgarhia went to Calcutta in 1878 At first he dealt in kerosene and then in cloth Finally an American, in a chance meeting suggested mica—the field in which he soon became pre eminent His first mines were located in Bihar, in Hazaribagh and Gaya districts Ganpatrai died in 1918 but his sons continued his business jointly as well as launching out on their own in various other lines His eldest son founded a jute mill in 1930 Ganpatrai s younger brother Juharmal, started in business with him in Calcutta but soon moved on his own to Raniganj, and then to Giridih in South Bihar where he started an oil mill In 1881 he closed the mill and opened his first mica mine He died in 1904, but his sons continued to open mica mines in different parts of Bihar with offices for export in London (1912) and Hamburg (1918) By the early 1940s the Rajgarhias had 8 000 employees mostly in their mica mines

After World War I Bihar Marwaris also took some part in the

[75] *Census of India 1911* Vol V *Bengal Bihar and Orissa and Sikkim* Part I *Report* by L S S O Malley (Calcutta 1913) p 586

[76] *Agg I* pp 95 96 and 471

[77] *Agg I* pp 375 380 *Agg II* pp 429-434

exploitation of the Jharia coal field in Bihar Fulchand Goenka, a Marwari pioneer in Jharia arrived in Jharia from Churu in the 1880s to open a cloth shop [78] In 1910, he got a mine in the Raniganj coal field in Bengal on lease from a British firm Though this mine was not a particularly rich one, with a heavy demand for coal during World War I, the price reached Rs 30/35 a ton and helped the firm to pull through In 1925 the firm took a second mine on lease, this time in the Jharia fields Together the leased mines yielded 3-4 000 tons, though this was not comparable to even the smaller of the British mines It was only in the 1930s that the firm was able to purchase further mines on its own Another related firm also leased a Raniganj mine in Bengal in 1910 listed in my sources as Shivkarandas Balmukund Goenka [79] These seem to have been isolated pioneers, however, in the period covered in this volume

The Bihar Marwaris fall into several categories I have already described some of the early industrial and mining pioneers A few Marwari firms were large scale bankers and financiers who sometimes succeeded in purchasing landed estates themselves According to a witness in a hearing on banking in 1930, there were then 8 10 such bankers in Bhagalpur with Rs 1½ to 2 lakhs of deposits and probably twice as much of their own capital [80]

The most prominent Marwari industrial firm in Bihar was that of Ram Krishen Dalmia, founded in the 1930s Dalmia rapidly developed a cement and sugar complex here His importance in the state is indicated by the fact that, for much of the 1930s, he was able to meet the provincial Congress budget out of his own pocket [81] The Rajgarhias with their mica mining interests continued to be important in the overall economy of the state

After independence industrial development was substantial in Bihar, though especially so in the period of political turmoil in West Bengal of 1967 71 There seems to be a lot of medium size industry being started there, not a little of it by Marwaris In the 1930s however, the most significant industrial development in Bihar in which the Marwaris took part was that of the sugar and vegetable oil industries which I will treat when I treat developments in U P

[78]Shivbhagvan Goenka Interview in Calcutta 1970

[79]Shivbhagvan Goenka Interview in Calcutta 1970

[80]*Indian Central Bankin Enquiry Committee* 1931 Vol III (Calcutta 1931), pp 148-152

[81]Conversation with Stanley Kochanek 1969

Bengal In Bengal which then included Bihar and Orissa as well as Calcutta, there were 9,000 immigrants from Rajputana in 1881 and 41,000 in 1901[82] By 1911 there were 9,000 immigrants each from the states of Bikaner and Jaipur in the new smaller province of Bengal, now excluding Bihar and Orissa but still including Calcutta city[83] The Calcutta migrants have been treated at length previously, so this section will concentrate on those in the rest of the province The districts within the eastern part of the old Bengal province, mostly included in East Pakistan at the time of partition in 1947, show a widely varying migration pattern[84] A concentration of Marwaris, mostly Oswals dealing in jute, is recorded in Rangpur Similar settlements of jute trading Oswals are found in the districts of Bogra and Mymensingh In 1901 Rangpur had 1,800 Rajputana immigrants

The prime activity of the Marwaris in East Bengal was the jute trade Before their entry into this line they seem to have been engaged in the same sort of cloth and grain trade we note in Bihar Several of the larger firms in jute have already been covered in the Calcutta section where they had their main offices Five of the Oswal firms in our list are the Murshidabadi firms we referred to earlier, and six came from the jute circuit of Ladnu Sujangarh Bidasar

Aggarwal and Maheshwari firms too, as our census returns and sample cases tell us, were active in East Bengal and the jute trade The *Census of 1901* records as many as 1,000 Aggarwals in the eastern districts of Bengal Aggarwals were even more prominent in the upland areas west of Calcutta[85]

As late as the 1961 census, it is claimed that Marwaris controlled 60 per cent of East Bengal s jute trade[86] The wars of 1965 and 1969-70 seem to have permanently driven out a large part of this jute trading community of Marwaris so that percentage must now be much reduced

One category of West Bengal Aggarwals is represented by the four firms in our sample settled in the Raniganj coal fields One of the firms arrived after the First World War and need not concern us here

[82] *Census of India 1901* Vol VI A *The Lower Provinces of Bengal* Part II (Calcutta 1902)

[83] *Census of India 1911* Vol V *Bengal Bihar and Orissa and Sikkim*, Part II *Tables* (Calcutta 1913) Table XI pp 108 143

[84] See notes 53 and 58

[85] *Census of India 1901* Vol VI A

[86] *Census of Pakistan 1961*

The oldest in our sample is undoubtedly the firm Baldevdas Jagannath Jhunjhunwala of Mandawa [87] Mangalchand Jhunjhunwala arrived in Raniganj in 1854 as a *munim* to Nathuram Saraf, then a leading Calcutta *banian* in the cloth trade Then he went into business in his own right His brother s grandson, Jagannath took the firm into the grain trade and bought coal mines and rural estates Until the First World War, the larger mines in the Raniganj fields were controlled by European firms and many of the smaller ones by Bengalis, with a scattering owned by Gujerati coal merchants based in Calcutta and others Jagannath was certainly among the first Marwaris to purchase a mine here The firm made a good deal of money during the First World War, and expanded yet further The 1920 *Thacker's Indian Directory* shows them owning three of the ten collieries in Marwari hands in Bengal [88] The two Goenka firms as we noted before, though living in the Jharia coal fields had mines in Raniganj

In Burdwan city of West Bengal, the Marwari community served the surrounding agricultural region and was half Oswal and half Aggarwal A look at the books of a major Bhutoria firm for 1906 shows that they conducted a small scale moneylending business, netting Rs 7,500 in interest They also dealt in cloth specie, and grain and netted around Rs 3,800 a year profit [89] Since the bulk of the Raniganj field was also in Burdwan district, one can hardly be surprised at a high concentration of Marwaris in Burdwan district as a whole, 1,600 in 1901

In the hill districts of Jalpaiguri and Darjeeling and the former princely state of Cooch Behar, the situation was essentially analogous to that in Assam From the beginning of their modern development the Marwaris were on the spot, and they never faced a serious competitive challenge A 1945 gazetteer for Darjeeling notes [90]

> The Marwari dominates most of the exporting trades viz cardamom, oranges, and potatoes and practically all the import trade of consumption goods In addition, he has an almost complete control of the retail sale of consumption goods to, and of the purchase of produce

[87] *Agg I* pp 247 249

[88] *Thacker's Indian Directory 1920 The Chief Industries of India and Burma* (Calcutta 1920) pp 116–133

[89] *Os* p 566 Malchand Bhutoria Interview in Burdwan 1971

[90] Arthur Jules Dash *Bengal District Gazetteers Darjeeling* (Alipore 1945) p 81

from the small consumer and producer It cannot be denied that the Marwari had played an important part in the development of the district In Darjeeling town itself the firm of Jethmal Bhojraj was established in 1845 [this firms is not properly speaking Marwari as I defined my sample] And Marwari firms were established in Kalimpong soon after its annexation from Bhutan The part they played in the development of the district can be understood from the following comment on their early activities in Kalimpong "With the advent of the Marwari traders who started large scale buying of cardamoms and the impetus derived from the larger demand for agricultural products, with increased pressure on the land caused by an influx of Nepali cultivators after the tract became ceded to British India and with the introduction by the Nepalese of new methods of intensive cultivation by means of the plough, the need arose for agricultural capital and the Marwari was ready to provide it In the beginning this was more in kind than in cash, the loan in kind being invariably computed in money value to the advantage of the money lender Gradually the system developed into regular moneylending in cash at definite rates of interest

The Marwari in the hills played a very useful and important role in the pioneer work of developing the district He still plays a most important part in the economic life of the district and his dominating position is due to his efficiency, hardiness, and assiduity

As with the development of the tea industry in Assam in these hilly areas, Marwari storeowners of tea plantations became major sources of capital for that industry Eventually they bought tea plantations in their own right

Burma Some Marwaris moved from Calcutta to Burma They were never as important there as the Chettiars commercial migrants from South India Still the Marwari firms in timber and rice export were factors to be reckoned with The main timber merchants in Calcutta at the turn of the century—Raja Shivbaksh Bagla Rai Bahadur Bhagvandas Bagla, and Chimanlal Ganeriwala—had branches all over Burma Not limited to timber, their branches engaged in the rice trade, money lending or whatever profitable enterprise came to hand

Table 2 shows the census return on emigrants to Burma The decline in the last figure probably reflects the larger number of families living as units in Burma and thus having their children there Even the Memons, a group of Muslim traders who otherwise were most

Table 2

EMIGRANTS FROM RAJPUTANA IN BURMA

	Number of Emigrants
1911	1 800
1921	3 400
1931	1 900

SOURCE *Census of India 1921* Vol X Burma Part I *Report* by S G Grantham (Rangoon 1923) p 98 *Census of India 1931* Vol XI Burma Part I *Report* by J J Bennison (Rangoon 1933) p 70

reluctant to take their families away from home, made an exception for an area as distant as Burma [91]

Many Indian merchants fled Burma during the Japanese occupation (1942 45) The bulk of the remainder were expelled along with other non indigenes in the years that followed [92] The Marwaris, though always a secondary mercantile element, in Burma, were among these

NORTH INDIA

United Provinces (Now Uttar Pradesh) In the U P sample too Shekhavati Aggarwals were prominent (13 in Kanpur, 34 outside) There were also 17 Maheshwaris mostly in the western districts 3 in Khasganj, and 5 in Kanpur

It is hard to extract hard data on Marwaris from the U P censuses The 1901 census notes, the Marwari traders and moneylenders are to be found in every district except parts of Oudh [around Lucknow] being especially numerous in the western divisions of the province [93] In a rough way, I could estimate that possibly half the 127,000 immigrants from Rajputana recorded in U P were commercial, but other figures like 8 205 Marwari speakers or 3 000 Churuwals (Aggarwals from the Churu region) suggest much lower figures [94] The 1911 census suggests explicitly that the immigrants from the non bordering states

[91]Papanek *Memoirs* p 29

[92]N R Chakravarti *The Indian Minority in Burma The Rise and Decline of an Immigrant Community* (London 1971) pp 79-80 174-186

[93]*Census of India 1901* Vol XVI *Northwest Provinces and Oudh* Part I *Report* by R Burn (Allahabad 1902) p 184

[94]*Ibid* p 249

from the small consumer and producer It cannot be denied that the Marwari had played an important part in the development of the district In Darjeeling town itself the firm of Jethmal Bhojraj was established in 1845 [this firms is not properly speaking Marwari as I defined my sample] And Marwari firms were established in Kalimpong soon after its annexation from Bhutan The part they played in the development of the district can be understood from the following comment on their early activities in Kalimpong

> "With the advent of the Marwari traders who started large scale buying of cardamoms and the impetus derived from the larger demand for agricultural products with increased pressure on the land caused by an influx of Nepali cultivators after the tract became ceded to British India and with the introduction by the Nepalese of new methods of intensive culuvation by means of the plough, the need arose for agricultural capital and the Marwari was ready to provide it In the beginning this was more in kind than in cash, the loan in kind being invariably computed in money value to the advantage of the money lender Gradually the system developed into regular moneylending in cash at definite rates of interest
>
> The Marwari in the hills played a very useful and important role in the pioneer work of developing the district He still plays a most important part in the economic life of the district and his dominating position is due to his efficiency, hardiness, and assiduity

As with the development of the tea industry in Assam in these hilly areas, Marwari storeowners of tea plantations became major sources of capital for that industry Eventually they bought tea plantations in their own right

Burma Some Marwaris moved from Calcutta to Burma They were never as important there as the Chettiars, commercial migrants from South India Still the Marwari firms in timber and rice export were factors to be reckoned with The main timber merchants in Calcutta at the turn of the century—Raja Shivbaksh Bagla Rai Bahadur Bhagvandas Bagla and Chimanlal Ganeriwala—had branches all over Burma Not limited to timber, their branches engaged in the rice trade, money lending or whatever profitable enterprise came to hand

Table 2 shows the census return on emigrants to Burma The decline in the last figure probably reflects the larger number of families living as units in Burma and thus having their children there Even the Memons, a group of Muslim traders who otherwise were most

Table 2

EMIGRANTS FROM RAJPUTANA IN BURMA

	Number of Emigrants
1911	1 800
1921	3 400
1931	1 900

SOURCE *Census of India 1921* Vol X Burma Part I *Report* by S G Grantham (Rangoon 1923) p 98 *Census of India 1931* Vol XI Burma Part I *Report* by J J Bennison (Rangoon 1933) p 70

reluctant to take their families away from home, made an exception for an area as distant as Burma[91]

Many Indian merchants fled Burma during the Japanese occupation (1942 45) The bulk of the remainder were expelled along with other non indigenes in the years that followed[9] The Marwaris, though always a secondary mercantile element, in Burma, were among these

NORTH INDIA

United Provinces (Now Uttar Pradesh) In the U P sample too, Shekhavati Aggarwals were prominent (13 in Kanpur, 34 outside) There were also 17 Maheshwaris mostly in the western districts 3 in Khasganj, and 5 in Kanpur

It is hard to extract hard data on Marwaris from the U P censuses The 1901 census notes, the Marwari traders and moneylenders are to be found in every district except parts of Oudh [around Lucknow], being especially numerous in the western divisions of the province [93] In a rough way, I could estimate that possibly half the 127,000 immigrants from Rajputana recorded in U P were commercial, but other figures like 8 205 Marwari speakers or 3 000 Churuwals (Aggarwals from the Churu region) suggest much lower figures[94] The 1911 census suggests explicitly that the immigrants from the non bordering states

[91]Papanek *Memoirs* p 29

[92]N R Chakravarti *The Indian Minority in Burma The Rise and Decline of an Immigrant Community* (London 1971) pp 79–80 174–186

[93]*Census of India 1901* Vol XVI *Northwest Provinces and Oudh* Part I *Report* by R Burn (Allahabad 1902) p 184

[94]*Ibid* p 219

of Rajasthan (Jodhpur and Bikaner) 42,000 in all, are mostly business men [95]

The 1921 census shows a concentration of the Rajputana born in Gorakhpur Farrukhabad Etawah, Budaun and Etah [96] These figures would suggest a concentration in eastern U P , explicitly opposing the earlier census suggestion Marwari firms are reported by the gazetteers all over U P Gursahai Mal Ghanshyamdas (another name for Tarachand Ghanshyamdas) is listed as a leading banker of Mathura [97] Hathras business is reported mostly in the hands of Marwaris who had settled a century before (i e 1805) Leading Marwari firms were listed in Hathras and Kanpur Khurja business is reported controlled by Churuwals, especially Amolak Chand Nathimal of the Raniwala family [98] The Raniwalas had earlier been partners with the Jatias in the firm Sadhuram Ramjidas which dominated Khurja until its partition in the 1840s

In Kanpur the earliest Aggarwal immigrants seem to have been the Newatias of Mandawa and Sevaram Ramrikhdas who arrived right after 1857, and were followed by others in the 1870s [99] The first migrants shifted from their former locus in the river ports of Farrukhabad and Mirzapur, which was later bypassed by the newly constructed railway in the 1860s

I was fortunate enough to find a civic history of Kanpur with an attached directory of firms which listed 27 Marwari firms as compared to 40 Punjabi ones and 10 15 others [100] Few dates are unfortunately given but a Bagla firm and the premier Singhanias of Sevaram Ramrikhdas are noted as arriving in 1857 from Farrukhabad Several other firms such as Manohardas Ramprasad (Lakhotia) show dates of a very early arrival [101] Unfortunately, only ten of the listed firms can be connected with firms on the Bhandari sample list

Originally the Marwaris in Kanpur seem to have been bankers and

[9] *Census of India 1911* Vol XV *United Provinces of Agra and Oudh* Part I *Report* by E A H Blount (Allahabad 1912) p 93

[96] *Census of India 1921*

[9] *Gazetteers of the United Provinces of Agra and Oudh* Vol VII *Muttra* by D L Drake-Brockman (Allahabad 1911) pp 62 6 66 82 83 112 and 121 123

[98] *Gazetteers of the United Provinces of Agra and Oudh* Vol V *Bulandshahr* by H R Nevill (Allahabad 1903 pp 255-260 and 77

[99] Tripathi and Arora *op cit Ag II* pp 447-449

[100] Tripathi and Arora *op cit* pp 271-494

[101] *Ibid* p 517

The first vegetable oil mills in U P date from the World War I period [106] The Kanpur area grew mustard seed of the right pungency for the Bengal market Once the development of mills began there, it caught on rapidly

Other Marwari firms in Kanpur remained in cloth and grain For example, Ramdayal Kasera of Churu (died 1909) started a cloth shop in Kanpur in the 1860s, while his brothers established shops in Bombay and Calcutta respectively [107] He was soon in a position to import cloth directly from abroad In the early 1920s the firm was the cotton purchasing agent for the Birla Mills in Gwalior and selling agents for Birla textile mills in Delhi and Calcutta, implying that it had provided considerable capital for these mills

At the turn of the century western U P was a major cotton and grain growing area Marwari firms in its market towns of Firozabad, Hathras, Khurja, and Hapur dealt in cotton and grain They built cotton gins and presses, and even started a number of spinning mills

The Raniwalas Fulchand Bagla and Harmukhrai Dulichand Seksaria of Hathras, and Sadhuram Tolaram (Goenka) and Ramjidas Jatia of Khurja were among the major mercantile factors in this area They were also prominent cotton and grain traders [108]

These smaller market towns were in some sen e dependent on Kanpur, though transport lines tied them as well to the Punjab and Calcutta The cotton trading of Kanpur thus meshed well with Marwari specialization in this westward area

Despite its popularity as a place of retirement, Benares did not become a major Marwari centre until after World War II, nor did Lucknow though both cities had small Marwari communities Even in Agra Marwari migrants were a definite if prominent minority, as compared both to the local *banias* and Punjabi immigrants As a generalization the Marwaris settled in the grain market towns of Hathras, Khurja Hapur and Firozabad, rather than the older administrative centres like Agra, Benares, an Lucknow

The difference here clearly lies with the nature of local trade The port and market towns were involved with long distance trade, where the Marwaris links were invaluable The trade of the administrative

[106]Arora and Tripathi *op cit* pp 213 214 Madan Gopal Kanoria Interview in Kanpur 1970

[107]*Agg I* pp 175 177

[108]Modi *op cit* pp 424 426 *Agg I* pp 54 59 137 142 and 482 483 *Agg II* pp 534-536

centres was more oriented toward their local elites, with whom established bankers were already connected[109]

The post independence period has seen considerable industrial activity in which Marwari families, especially those from Kanpur, have been active

Delhi Delhi, like the river ports of U P, was an early point of migration for Marwaris The first settlers arrived soon after the British conquest in 1803 Throughout the nineteenth century Delhi branches and shops were a feature of many Marwari resource groups especially in the cloth trade

One or two of these resource groups were even centred in Delhi Thus the Parasram Harnandrai Goenka firm came to Delhi in 1815 as a *kirana* trader from Nawalgarh[110] The ancestors of Lakshmi Narain Garodia (1875-?) moved as sugar traders from Nawalgarh to Bhiwani in the 1840s, and later shifted their headquarters to Delhi[111] Garodia was the largest merchant of indigenously manufactured cloth in the North Indian area. Satyanarain Goenka of the Goenka firm (1900-?) established the Goenka Cotton Mill in Delhi the Mahalakshmi Flour Mill in nearby Sonepat, and gins in various adjoining areas for cotton. Ramkumar Jaipuria, who had arrived in Delhi in 1899, founded another cotton textile mill in Delhi in the 1930s[112]

Though the Delhi Marwaris were prosperous they were far outdistanced by merchant caste members coming from the districts of the Punjab and U P, adjoining Delhi

Even before independence the gradual shift in the 1920s and 1930s of the central governing organs to Delhi forced major business firms to establish liaison offices there In addition the Government of India took steps to encourage leading merchants as other social leaders to purchase a house there The Birlas and Ram Krishen Dalmia among others soon obliged The several large Dalmia houses, as well as the gigantic Birla house physically marked their place in the Raj s social system as did the houses of the various princes and Sikh construction contractors

The post independence period was characterized by three new facts that accelerated this orientation toward Delhi First the license-permit

[109]L C A Bayley "The Organization of Merchants in Benares 1780-1830" *op cit* pp 1-3

[110]*Agg I* pp 145-146

[111]S Vidyalankar *Marwari Gaurav* Part I (New Delhi n.d) pp 78-86

[112]*Agg I* pp 454-462

Raj made frequent trips to Delhi obligatory for those in business particularly those starting new enterprises Second partition tripled Delhi s population This along with the rapid agricultural and industrial growth in adjoining Haryana and U P , made Delhi far more of a commercial centre than it had been before Finally the reorientation of India s economy inward, with its accompanying devaluation of port cities, naturally increased the importance of a centrally located inland trading centre Alongside the settled Marwari community of Old Delhi grew up a new community in New Delhi representing all India Marwari firms This community as in the case of Bihar was considerably augmented during the politically troubled period in West Bengal, 1967-71

Punjab My Bhandari sample contains but a few Marwari firms in the Punjab outside of the Hissar area It is impossible to separate Marwari traders from non trader migrants in the Punjab census figures

In the earliest period with which this volume deals Marwari firms such as those of the Poddars of Ramgarh were active in the wool trade in Amritsar To this day there is a large Marwari settlement there including both Aggarwals and Maheshwaris Mirzamal Poddar was a state banker to Ranjit Singh the last independent ruler of the Punjab The Riyanwala Seths and Bansilal Abirchand were treasurers to the British in several districts of the Punjab

There were no Marwari firms of Aggarwals in the Punjab according to the sample There were thirteen such on the Maheshwari list but the histories provided are schematic Some of them would indicate that the firms arrived in the eighteenth century

It is possible that an early Marwari migration to the Punjab in the eighteenth century took place in connection with the wool trade State banking receded in importance as the indigenous Punjabi trading groups came to their full maturity In any case, at present the Marwari element is a relatively minor one in the Punjab economy

Central India

The Central Indian area included, under the old dispensation, a collection of princely states in the Central Indian Agency and the directly British administered area of the Central Provinces and Berar As my account will show the area was closely connected with the Marathi speaking areas of the Bombay Presidency to the west, and the princely state of Hyderabad to the south

Central Indian Agency The 1881 census shows 140,000 migrants

from Rajputana in the Central Indian Agency, two thirds of them concentrating in the princely states of Gwalior and Indore Since these states adjoin Rajputana these figures must include a large amount of routine and short range border migrations [113] Periodic famines in Rajasthan would send thousands of migrants into adjoining Central India, thus forming a transitory *diaspora* The Census of 1911 shows 150,000 migrants It notes that their number had declined from 1901, because of the outbreak of the plague in Central India which caused emigration and also the simultaneous decline of the opium trade [114]

By 1921 the Rajasthani immigrant population was 86,000, reduced further because of plague in Central India and the absence of famine in Rajputana It reflected as well a greater tendency of Marwari immigrants to have their children in their place of business The arrival of many Marwari families in Central India undoubtedly meant that fewer Central Indian Marwaris were born in the villages of Rajasthan—in the various migrant families [115] The number of Rajputana immigrants would thus every year be a greater and greater underestimate of the size of the total Marwari migrant group Those immigrants from the northern Rajasthan states from which the leading businessmen came and which were not contiguous to Central India, numbered 45 000 in 1921 We may assume that the bulk of these were merchants The Marwaris were heavily concentrated in the Malwa area, formerly the centre of the opium trade and now of that in cotton Half of the Marwaris recorded were in Indore state itself Lesser Marwari centres were Dhar, Dewas, Javra Panna, Rajgarh Narsingarh, Jhabua and Barwani

Of sixty four factories owned by individual Indians in the Central Indian Agency in 1911 18 were owned by Aggarwals Among cotton gins and presses, 3 were owned by Khandelwals, 8 by Maheshwaris, 1 by an Oswal 20 by Muslim Bohras from Gujerat and 2 by Parsees [116] These figures reflect the importance of Marwari traders in the cotton trade, since the gins were usually ancillary to cotton purchasing agencies

[113]*Census of India 1881 Note on Census Operations in Central India and Statement Showing the Population etc* (Calcutta [?] 1882) Final Forms X and XI

[114]*Census of India 1911* Vol XVII *Central Indian Agency Report and Tables* by C E Luard (Calcutta 1913) pp 6 17 and 28-29

[115]*Census of India 1921* Vol XVIII *Central Indian Agency* by C E Luard (Calcutta 1923) pp 3 19 and 25

[116]*Census of India 1911* Vol XVII pp 88 89

In the Bombay section of this appendix, references to Ramnarain Ruia, Gulraj Singhania, and Ramdayal Hardayal Newatia firms indicate how gin chains fitted into the structure of a large-scale cotton trading firm Cotton textile mills, especially in Indore, were started by Marwaris after the beginning of the nineteenth century As in U P , many oil seed mills were started after 1920 The first vegetable oil mill in the area was constructed in 1920 by the Marwari Aggarwal firm, Jagan nath Narain

The first Marwari migrations in the westward direction were to Malwa, the western area of the Central Indian Agency which included the larger princely states of Indore Gwalior Bhopal Ratlam, and Dhar as well as many smaller units Each princely state in the area strove to attract businessmen by tax concessions, and the offer of access to the state treasury

Table 3

MALWA MIGRATION

Castes	*Indore and Ancillaries*	*Jr Other Centres*	*Before 1850/60*
Aggarwals	16	11	6
Maheshwaris	18	8	2
Oswals	— 26	—	

Many of the first Marwari immigrants to Malwa were contractors and bankers to the various Maratha courts in the later eighteenth century If my sample is indicative, these were usually Maheshwaris and Oswals from Jodhpur state The Aggarwals seem first to have arriv ed in commercial capacities especially in the opium trade The firms of state contractors too were soon involved in commerce One excerpt from a 1791 *vahi* or ledger indicates that the larger Shekhavati firms were already involved in the Malwa opium trade [117] By the time of John Malcolm (1824), the majority of Central India s businessmen were Marwaris [118]

[117] R K Goenka *Sachitr Itihasik Lekh* (Calcutta 1941)
[118] Malcolm *op cit* Vol II pp 160 165

The main period of migration seems to have been 1820-1860, coincident with the zenith of the opium trade With the decline of the opium trade in the late nineteenth and early twentieth century some of the Marwari firms moved away Others moved into the cotton, grain, and oil seed trade

Both in the sample and in other data, I note a concentration in the state capitals of Indore and Gwalior This reflects both the opportunities present in state service, and the special protection accorded to markets in these two cities The Holkar State of Indore was founded in the early eighteenth century, and reached its height under the regency of Maharani Ahilyabhai (1767-1795) when its power extended to much of North India The Scindia rulers of Gwalior date from much the same period, and reached their zenith at the end of the eighteenth century Along with the Holkars they were defeated by the British in the 1803 1804 era The two states no longer retained their influence in North India But they retained large and rich territories in the opium tracts of Malwa Their combined area was over 35,000 square miles and their population by 1941 had reached 4,800,000[119]

Of the two, Indore soon outdistanced Gwalior economically The decline of the opium trade after 1875 was compensated by the rise of cotton, for which Indore became a major market Indore was a centre too for cloth trading grain, and oil seeds The leading firms in Indore had networks all over Central India Indore also became a leading money and speculative market, and the great firms of Ajmer and Bikaner established their branches there

The bankers of Indore were pre eminent throughout the area Like the Rothschilds in Europe or the Poddars of Ramgarh, their various firms formed a 'resource group of their own The eleven member commercial council of Indore was the commercial court of appeal for the area, and composed of leaders among those bankers Among the oldest of these we find the Daddas of Phalodi, whom we may well take as their exemplar The Daddas of Phalodi were spread throughout India[120] One branch with its headquarters in Ajmer from 1859 and previously in Bikaner, Padamsi Nainsi, established a branch in Indore Padamsi (died 1818?) was close to Ahilyabhai, the famous regent in the state, and the firm remained close to the Indore rulers

[119] *Times of India Directory of Bombay (City and Province)* (Bombay 1941) p 22

[120] *Os* pp 265 272, Modi *op cit*, pp 500-501

In the Bombay section of this appendix references to Ramnarain Ruia, Gulraj Singhania, and Ramdayal Hardayal Newatia firms indicate how gin chains fitted into the structure of a large-scale cotton trading firm Cotton textile mills, especially in Indore, were started by Marwaris after the beginning of the nineteenth century As in U P , many oil seed mills were started after 1920 The first vegetable oil mill in the area was constructed in 1920 by the Marwari Aggarwal firm, Jagan nath Narain

The first *Marwari migrations in the westward direction were to* Malwa, the western area of the Central Indian Agency which included the larger princely states of Indore Gwalior Bhopal Ratlam, and Dhar as well as many smaller units Each princely state in the area strove to attract businessmen by tax concessions, and the offer of access to the state treasury

Table 3

MALWA MIGRATION

Castes	*Indore and Ancillaries*	*In Other Centres*	*Before 1850/60*
Aggarwals	16	11	6
Maheshwaris	18	8	2
Oswals	— 26	—	

Many of the first Marwari immigrants to Malwa were contractors and bankers to the various Maratha courts in the later eighteenth century If my sample is indicative, these were usually Maheshwaris and Oswals from Jodhpur state The Aggarwal seem first to have arriv ed in commercial capacities especially in the opium trade The firms of state contractors too were soon involved in commerce One excerpt from a 1791 *zahi* or ledger *indicates that the larger Shekhavati firms* were already involved in the Malwa opium trade [117] By the time of John Malcolm (1824), the majority of Central India s businessmen were Marwaris [118]

[117] R K Goenka *Sachitr Itihasik Lekh* (Calcutta 1941)
[118] Malcolm *op cit* Vol II pp 160-165

The main period of migration seems to have been 1820-1860, coincident with the zenith of the opium trade With the decline of the opium trade in the late nineteenth and early twentieth century some of the Marwari firms moved away Others moved into the cotton, grain, and oil seed trade

Both in the sample and in other data, I note a concentration in the state capitals of Indore and Gwalior This reflects both the opportunities present in state service, and the special protection accorded to markets in these two cities The Holkar State of Indore was founded in the early eighteenth century, and reached its height under the regency of Maharani Ahilyabhai (1767 1795), when its power extended to much of North India The Scindia rulers of Gwalior date from much the same period, and reached their zenith at the end of the eighteenth century Along with the Holkars they were defeated by the British in the 1803 1804 era The two states no longer retained their influence in North India But they retained large and rich territories in the opium tracts of Malwa Their combined area was over 35,000 square miles and their population by 1941 had reached 4,800,000 [119]

Of the two, Indore soon outdistanced Gwalior economically The decline of the opium trade after 1875 was compensated by the rise of cotton for which Indore became a major market Indore was a centre too for cloth trading grain, and oil seeds The leading firms in Indore had networks all over Central India Indore also became a leading money and speculative market, and the great firms of Ajmer and Bikaner established their branches there

The bankers of Indore were pre eminent throughout the area Like the Rothschilds in Europe or the Poddars of Ramgarh, their various firms formed a resource group of their own The eleven member commercial council of Indore was the commercial court of appeal for the area, and composed of leaders among those bankers Among the oldest of these we find the Daddas of Phalodi whom we may well take as their exemplar The Daddas of Phalodi were spread throughout India [120] One branch with its headquarters in Ajmer from 1859 and previously in Bikaner, Padamsi Nainsi, established a branch in Indore Padamsi (died 1818?) was close to Ahilyabhai, the famous regent in the state, and the firm remained close to the Indore rulers

[119] *Times of India Directory of Bombay (City and Province)* (Bombay 1941) p 22

[120] *Os*, pp 265 272 Modi *op cit* pp 500-501

Indore was prominent not only as a commercial but also as an industrial centre Maharaja Tukoji Rao II (1852 1886) of Indore introduced the railway into the state in 1864, at the height of the American Civil War cotton boom He also established a state cotton textile mill in 1867 Several other textile mills followed, established by private families, all of them Marwaris The two most important firms of textile indus trialists were those of Sarupchand Hukumchand and Nandlal Bhandari Like other early migrants they had made their money in state service, and the opium, cotton, and grain trades Both families were Jains, pro viding evidence that Jain belief is not a bar to industrial activity when it seems profitable Both also dealt in cotton and cloth, and must have found cotton textile manufacturing a natural extension of their other activities

The Oswal Nandlal Bhandari family moved from Nadol Jodhpur, in the late seventeenth century to Sitamau, a little north of Javra state in Malwa and then in the 1730s to Rampura in the northern part of Indore state[1 1] Rampura at that time contained a large Oswal com munity They moved to Indore itself in the 1860s to deal in opium and cotton Kanhaiyalal Bhandari (born 1888) took on lease in 1919 the state owned textile mills of Indore By 1922 he felt economically strong enough to found the Nandlal Bhandari mills with Rs 30 lakhs in capital and in 1928 to found a large brass factory

The Sarupchand Hukumchand family were Khandelwal Jains This is a community to which I otherwise have paid little attention The Bhagchand Soni firm of Ajmer belong to this caste, as well as a considerable group of East Bengal jute merchants from the area around Ladnu. Unlike the case of the Aggarwals the Khandelwal Jains (also Digamber) did not intermarry with non Jains and formed an essen tially separate community

Seth Pusaji of the Sarupchand Hukumchand family left Mendivil village near Ladnu in 1789 to settle in Indore[1] Apparently he had already been a successful banker in his home area When he arrived in the Holkar capital at the age of 41 he had some capital at his disposal Various of his descendants continue to have shops in Indore but our interest centres on the surviving children of one grandson namely Magniram, Sarupchand Onkarji, and Tilokchand Magniram (died 1872) started a moneylending and opium business in partnership with some other family in 1850 The business was already worth several lakh

[1] [1] *Ibid* pp 158 162

[12] [2] Ed S Vidyalankar *Hukumchand Abhinandan Granth*, pp 30–31

rupees at the end of the cotton boom in 1865[123] After Magniram s death the three younger brothers continued in the firm and separated from the non family partners, in 1880 as Tilokchand Hukumchand

The family of Tilokchand founded an early cotton textile mill in Indore As with the family of Onkarji they remained among the city s leading figures The worth of the brothers joint firm reached Rs 12 lakhs in 1886 and Rs 25-30 lakhs in 1899 In 1900 there was an informal family partition though they continued to share the firm s offices, until a final partition in 1913

Sarupchand s son, Hukumchand (1874 ?), was certainly the most famous member of the family He became one of India s leading speculators, especially in Indore and Bombay but also in Calcutta In 1909 he founded his first mill in Indore followed by a second in 1913, and a third in 1916 In 1918 he took over the management of one more textile mill from his son in law in Ujjain and built another there in 1928 In 1919 together with Harkishendas Bhatter, the Calcutta manager of Bhagchand Soni, he built the first Indian owned large scale jute mill in Calcutta followed by a large steel processing mill, and an insurance company there In more recent years the Hukumchand firm suffered reverses and gave up control of the mills with which it had been involved

Though Indore has not experienced as rapid industrial development as some other centres since independence this city and Gwalior continue to be prominent and active Marwari centres

Central Provinces and Berar The Central Provinces gazetteers note Marwari *banias* in various places, with the Bansilal Abirchand firm in Nagpur and Sevaram Khushalchand in Jabalpur[124] In Damoh district the major firms recorded were the Marwari Raghunathdas Hamirmal and a Maratha firm

After the construction of the railroad in the 1870s the major market of the Central Provinces was Nagpur In Nagpur the major commodity was cotton followed by oil seeds Speaking of Kamptee a near neighbor of Nagpur in 1870 Charles Grant wrote

With one or two exceptions the trade is in the hands of Marwaris,

[123] *Ibid* pp 32 33

[124] *C P District Gazetteer Series Nagpur* ed R V Russell (Bombay 1908) *C P District Gazetteer Series Raipur* Vol A ed A E Nelson (Bombay 1909) p 162

> who have their agents for the purposes of purchases and import stationed in Bhandara and Chattisgarh and lately at Jabalpur They export either by consignment to their own agents stationed in Wardha and in the Berars, or else sell at the entrepots to agents sent by the wholesale dealers in those districts [125]

Marwaris were also recorded by Grant as cloth merchants and bankers

In the gazetteers for the Berar districts attached to the Central Provinces themselves, Marwaris are noted as leading moneylenders in Yeotmal [126] In Amravati (1911) the most prominent bankers were Shriram Saligram at Dattapur and Shrinarain Rambilas, owner of Dhan raj Pokarmal Ganeriwala in Amravati proper, both Marwaris [127] The Pokarmal firm from Ramgarh dated back to before 1845 Other leading bankers were the Marwaris Shriram Rupram and Ramratan Ganesh das, as well as two local firms

The Census of 1881 shows 19 000 people born in Rajputana in the Central Provinces proper (plus 17,000 in Berar which gives 36 000) [128] The 1911 census asserts that almost all the 56,000 immigrants from Rajputana are traders [129]

15 Oswals in our sample, 17 Aggarwals and 16 Maheshwaris are loca ted in Nagpur, and the associated centres of Wardha Hinganghat and Kamptee and most of the other Marwari immigrants in the area are located in the cotton districts of Berar In this Central Provinces area, too, the first immigrants arrived simultaneously with the last gasp of Maratha power the rule of the Peshwas and his heirs Both the havoc caused by this in Shekhavati, and the opportunities in provisioning armies and funding states, seem to be important reasons in individual cases As early as 1790 but certainly by 1820, the firms moved into

[125] Ed Charles Grant *The Gazetteer of the Central Provinces of India* (Nagpur 1870) p 333

[126] *Central Provinces District Gazetteers Series Yeotmal District Gazetteer* Vol A ed C Brown and R V Russell (Calcutta 1908) p 123

[127] *Central Provinces District Gazetteers Series Amravati District Gazetteer* Vol A ed S V Fitzgerald and W E Nelson (Bombay 1911) pp 176-177 and 228 *Agg II* pp 464 1 5 (second numbering)

[128] *Census of the Central Provinces 1881* Vol I by T Drysdale (Bombay 1882) pp 108 109

[129] *Census of India 1901* Vol XIII *The Central Provinces* Part I *Report* by R V Russell Nagpur 1902) p 290 *Census of India 1911* Vol X *The Central Provinces of Berar* Part I *Report* by J T Martin (Calcutta 1912) pp 51 52

opium and then into cotton With the exception of some of the large banking firms they do not seem to have become major industrialists As with their counterparts in the West Indian region and in Bihar, they remained crossroads merchants Much of their accumulated capital was used to buy land

The Maheshwari migrants to this area were often connected with the great banking firms located there Bansilal Abirchand of Nagpur and Sevaram Khushalchand of Jabalpur were pre-eminent here [130] They were both settled well before 1857 Both firms rendered crucial assistance to the British during the rebellion of 1857, in extending large loans, transferring large sums, and arranging supplies in otherwise inaccessible places The British expressed their gratitude by giving them preference for the next century in handling government funds, government contracting, and access to government officers It is their specific resource groups which formed no small part of the Marwari population in the area

The founder of the Nagpur bank of Bansilal Abirchand (died 1878) made his firm especially prominent in banking It also dealt in cotton and grain, and eventually moved into industry The family of the proprietors of Sevaram Khushalchand had moved to Jabalpur in the 1790s from Jaisalmer By 1834 the firm was worth several hundred thousand rupees, and had an annual income of Rs 25-30 000 By 1847 the income of the firm had risen to Rs 2 lakhs a year Like Bansilal Abirchand the firm started some industry in the late 1880s, but remained primarily a trading and banking concern until it retired from active pursuits after the First World War Unlike Bansilal Abirchand Sevaram Khushalchand became a major landowner in its headquarters area The groups turned from active commerce and have now receded as major commercial forces

Other large Maheshwari firms operated independently of the big banking groups For example the firm Kashmirchand Kapurchand Daga came to Raipur in the mid nineteenth century from Bikaner as a grain trader [131] By the 1930s the family s descendants had banking businesses and lands all over the Raipur area The Bhikamchand Mohta family of Bikaner came to Hinganghat, a cotton market near Nagpur, before the middle of the nineteenth century They became leading

[130] Modi *op cit* pp 504-505 *Mah* pp 250-259 and 335 338 J C Mukherjee biography of Raja Gokuldas Seth Govind Das Interview in New Delhi 1970 Assaram Rathi Interview in Nagpur 1970

[131] *Mah* pp 271-273

cotton traders, bankers, and later textile mill owners [132].

In the Central Provinces the Oswal firms seem smaller and less prominent than their Maheshwari fellows No doubt the large Oswal firms from Ajmer and elsewhere had branches here too Our sample, however, mostly contains smaller firms Aggarwals seem to have been as numerous if less prominent, than Maheshwaris and Oswals in the Nagpur area and Berar

One Aggarwal firm in the Central Provinces was particularly noteworthy The firm of Bacchraj Jamnalal Bajaj was especially prominent in supplying cotton to the Japanese [133] By 1913 the firm shipped out 40,000 bales a year and reaped Rs 75 lakhs profit in that line alone The firm became famous, however, because its proprietor, Jamnalal Bajaj, played a leading role in the independence struggle He seems to have been personally responsible for much of the successful fund raising for the Congress in Central and Western India

After independence the heirs took the Bajaj firm into industry; but the plants were not necessarily located in the Wardha area Other Central Provinces families too have developed their own industrial bases

Bombay Province

Dating from the 1870s gazetteers of the Bombay Presidency note the Marwaris presence in Khandesh Ahmednagar, Poona, Thana Dharwar, Kolaba, Janjira, Ratnagiri, and Savantwadi districts [134] In Ahmednagar particularly, we note there were 561 Maheshwari Marwaris in 1884, settled already for a long time' and some 14,500 Oswals, not all of whom were probably Marwaris [135]

> The Marwari Vanis came later than the Gujeratis, but were settled before the beginning of British rule [1818 in this case] They were

[132] *Ibid* pp 21 23

[133] *Agg I* pp 496 505 See several biographies of Jamnalal Bajaj listed in my bibliography especially that by Haribhau Upadhyay

[134] *Bombay Gazetteers* Vol XII *Khandesh* by James Campbell (Bombay 1880) pp 59 61, Vol VII *Ahmednagar* by James Campbell (Bombay 1884) pp 74 79 and 295 Vol VIII *Poona* by James Campbell (Poona 1885) pp 262 and 278 Vol XII *Thana* by James Campbell Part I (Bombay 1882) pp 113 116 Vol XXII *Dharwar* by James Campbell (Bombay 1884) p 124 Vol XI *Kolaba and Janjira* by James Campbell (Bombay 1889), p 121

[135] *Bombay Gazetteers* Ahmednagar Vol *cit*

looked on with disfavour by the Marathas as aliens who took hoards of money to their native country, and as Jain heretics their temples were often turned to the use of Brahminic and local gods [136]

The *Thana Gazetteer*, which speaks at length on the subject says that Marwaris are found everywhere in the district [137] It notes that the first large immigrations followed the liberal rent reductions of 1835 and 1838 These created an economic margin with the peasants upon which merchants could rely to start a retail trade Immigrants were already noticeable enough to be mentioned in a government report in 1846

> They usually come with a scanty stock and growing speedily rich carried their gains to their own country Of late by their great vigour and power of work and by their greater unscrupulousness, Marwaris have to an increasing extent, been ousting local traders from the moneylending business [138]

The immigration increased further however, after the arrival of the railroad from Bombay to Poona in the late 1860s By 1911, the census reported 60,000 are to be found scattered all over the presidency doing, under the generic name of Marwari, a large trade in grain and usury [139]

At least 25 Oswals and 22 Maheshwaris from my sample are to be found in the Poona and Ahmednagar districts in central Bombay Province About an equal number are found in other Marathi speaking parts of the province Our sample contains however few Maheshwaris from Poona Interviewees assured me that the number of Maheshwari firms was roughly equal to the number of Oswal firms in Poona In this matter the sample is simply unrepresentative

The first Oswal firms moved into Maharashtra at the height of the power of the Marathas, before the coming of the British The Riyawala Seths who became military suppliers and bankers to the Peshwas, must have met the Marathas on one of the sallies into Rajputana [140] In any

[136] *Ibid* p 295
[137] *Bombay Gazetteers* Vol XII *Thana* pp 113-116
[138] *Ibid* p 114
[139] *Census of India 1911* Vol VII: *Bombay* Part I by P J Mead and C Laird McGregor (Bombay 1912) p 41
[140] *Op* p 74 Shivdutt Tiwari and Navratanmal Riyawala *Shri Gulabh Darshan*

event they moved from their home town of Riya, in Jodhpur, to Poona before the 1770s probably via Ajmer Many of the earliest Oswal firms in our sample seem to have arrived in the period of 1820 40 The earliest four Oswals and two Maheshwari firms note their arrival before 1840 The firm of Kiratmal Pannalal Ranka came from Bhavi, Jodhpur to the small village of Chinchkar Poona district, to establish a firm in grain and cloth in this period [141] In the same period, the first of two Lunavat firms from Khinvsar, Jodhpur, arrived in Lonavla at the far end of Poona district The modal arrival in Poona city seems to be 1860 1880 Immigration seems to have thinned out after 1875, possibly because of delayed reaction to the anti moneylender riots in Poona and Ahmednagar Districts in 1875 which are well documented This resulted in legislation which limited the legal remedies available to moneylenders

The large Poona firms served as bankers of last resort for the smaller firms scattered throughout Maharashtra Poona, like Indore was a major mart for the area Two of the leading Maheshwari firms even became independent industrialists Their careers may indicate the opportunities for enterprise which Poona represented

Balmukund Loya s family first moved from Pipar Jodhpur to Pathrari Ahmednagar district in 1846 as a rural grain trader and moneylender [14] The son of the founder, Balmukund moved to Poona in 1862 as a cloth dealer during the American Civil War boom He specialized in silk and silk manufacture a traditional craft in Poona Balmukund s son Chaterbhuj founded a cotton and silk textile mill in 1891 in Poona and a second in 1906 He also started a Rs 20 million capital bank in 1901

Amarchand came to Paithan Hyderabad from Didwana before 1818 [143] His banking partner at that time Anandram Nainsukhdas of Bikaner, was already treasurer to the British in Poona (1818 1865) and banker to the British Army there and in Sikanderabad (near Hyderabad) Amarchand s own firm was also involved in the silk trade Silk manufacture was an old form of craft activity in Poona, and did not represent a radical innovation Amarchand s son Ramnarain (1850 1937) was an early industrialist in Poona He participated in a series of Swadeshi

(Ajmer 1930) Surajmal and Ku hal Riyawala Interview in Ajmer and Bhilwara 1971

[141] *Os* pp 492-493

[14] *Mah* pp 413-416

[143] *Ibid* pp 297 299

(Indian owned) industrial enterprises, and was one of two Marwaris who spoke at the early meetings of the Indian National Congress [144] Since independence Poona has experienced rapid industrial growth Several local and all India Marwari firms have played important parts in that growth

SOUTH INDIA

Hyderabad Further south, Hyderabad state formed a major attraction for Marwari immigrants Karen Leonard cites a Hyderabadi history, published in 1890 1891 to the effect that the Marwaris on their arrival in the early nineteenth century were shawl (Punjabi and Kashmiri wool) and jewel merchants [145] They later transferred to banking and moneylending and reached their zenith during the financial difficulties of the state in the early nineteenth century In any case in a commercial directory of Hyderabad for 1873 Marwaris form a large proportion of a list of bankers [146]

The 1911 census of Hyderabad shows 14 000 people born in Rajputana and 50,000 speakers of Rajasthani Perhaps this reflects the antiquity of the Hyderabad settlement Many Marwaris had been settled in Hyderabad and brought their families there, already in the nineteenth century [147] Most of the Marwaris there were born in Hyderabad, rather than in their home villages in Rajasthan The 1921 census shows the number of natives of Rajputana as only 8,000 [148]

The immigration went overwhelmingly to the Marathwada area of the state, in the Marathi speaking Deccan and to the city of Hyderabad

[144] B B and H R Majumdar *Congress and Congressmen in the Pre-Gandhian Era 188 1917* (Calcutta 1967) pp 261 and 301 He is found in the list of Congress speakers as no 75 A Ram Kumar Goenka seems to have addressed the Congress in 1910 Chokhany p 67 indicates that Ramdev Chokhany went to the 1905 Congress meeting

[145] Karen Leonard 'The Hyderabad Political System and its Participants' *Journal of Asian Studies* XXX (May 1971) pp 569 582 cites Ghulam Hussain Khan *Gulzar I Asafyah* (Hyderabad 1890-1891) pp 622 632

[146] M S Mudaliar *Hyderabad Almanac and Directory for 1874 No II* (Madras 1873) p 181

[147] *Census of India 1911* Vol XIX: *Hyderabad State* Part I *Report* Mohamed Abdul Majid (Bombay 1913) and Part II *Tables* (Secunderabad 1913) Table XI pp 107 118

[148] *Census of India 1921* Vol XXI *Hyderabad State* Part I *Report* Mohamed Rahmatulla (Hyderabad 1923) p 6

itself It seems reasonable to suppose that the absence of vigorous competition from the indigenous Maratha middle class accelerated migration to this area On the other hand, the presence of indigenous trading groups in the Telugu speaking districts of Hyderabad undoubtedly explains the relative lack of Marwaris there

Twenty one Aggarwals, forty one Oswals, and fifty three Maheshwaris from my sample are recorded in Hyderabad state The Aggarwals are all listed in the city and seven Aggarwal firms including the prominent Pittys and Ganeriwalas came to Hyderabad before 1840 Six gave later dates of arrival Twenty two Oswal firms and thirty four Maheshwari firms started out in the rural areas of the state A large proportion of these Oswal and Maheshwari firms arrived before 1840 An especially large number of Maheshwaris (seven) come from Nagore and six of the Oswals are from Phalodi both in Jodhpur state The immigrants from Nagore may have well been assisted by the Pittys from that city and those from Phalodi by the Daddas

As with other Marwaris there the Aggarwals of Hyderabad often moved into the banking line As everywhere else in India this was a natural move for firms with large accumulated capitals They let smaller firms conduct the small-scale trading operations, by providing them with credit accommodation The business was helped in Hyderabad as earlier in other princely capitals by the improvidence of many connected to the court and the complex multicurrency situation that prevailed until the state pegged its currency against the rupee in the 1890s Many firms were employed as moneychangers and arbitragers on the money exchange market that was required in this complex monetary situation

The greatest of the Aggarwal banking firms were undoubtedly the Pittys (founded 1774) the Ganeriwalas (founded 1802) and the Jhandevalans (founded early in the eighteenth century) All three were intimately connected with the perilously balanced finances of the Nizam The first two actually farmed the revenue of all of Berar province for him for a time There were also prominent banking firms among the Maheshwaris and Oswals but apparently not as close to the state fisc Since independence local Marwari firms as well as all India ones like the Birlas have been important in industrial activity around Hyderabad city

Madras and Mysore A large group of Oswals many from Belundu in Jodhpur, were settled in Jalna a military cantonment in the north of Hyderabad, often as military contractors Many of these moved on

to Madras in the last quarter of the nineteenth century Perhaps they followed the regiments to which they were attached when these regiments were transferred

These Jalna Oswals constitute a segment of the seventy from my sample found in Madras, Bangalore the nearby Kolar gold fields and in the Nilgiri Hills of Madras where they were mostly moneylenders and bankers

The 1901 and 1911 Madras censuses reported roughly 1500 persons born in Rajasthan [149] The 1931 census gives a figure for Other Indian States —which excludes neighboring states like Hyderabad Travancore and Mysore but not the Western Indian States which probably sent some migrants to the province [150] This figure which had totalled 3,500 in 1921, reached 6,200 in 1931

The Madras migrants as the map would indicate came relatively late A few seem to have moved in as early as the late 1840s but more seemed to have arrived in the period 1860-1880 A typical one, Ravatmal Parakh came to Madras as a regimental banker from Lohavat, Jodhpur, in this period [151] He soon found he had to make several transfers and by 1870, succeeded in establishing himself permanently in Trichinopoly A considerable number of the Madras migrants arrived in Madras after 1900

Both of these areas of late Marwari settlement experienced some Marwari immigration from the 1930s onward In Madras this was especially notable among the *Mutsuddi* Oswals of Jodhpur who had previously had too favorable a relation with the state authorities there to consider emigration

Industrial Survey
Earlier Marwari Industrial Enterprises

Even as late as 1930 the Oswals perhaps because of the anti industrial strictures in Jainism suggested by Weber, or for other reasons discussed elsewhere had very few industrial firms among them Only the

[149] *Census of India 1911* Vol XII: *Madras* Part I *Report* by J Chartres Molony (Madras 1912) p 45

[150] *Census of India 1931* Vol XIV *Madras* Part I *Report* by M W M Yeatts (Madras 1932) p 96 and Part II *Imperial and Provincial Tables* (Madras 1932) pp 25-41

[151] *Os* pp 549-550

firms of Hazarimal Hiralal Rampuria, the leading Indian cloth importers of Calcutta, and Nandlal Bhandari of Indore reported cotton textile mills In addition to five or six gins, the list of Oswal industrialists shows one firm of Agarchand Bhairodan Sethia with a chemical works, another with some coal and mica mines, and a third with a tea plantation

The Maheshwaris were far more active in industry and the following cotton textile mills are listed

1 Shubhkaran Malani, Hyderabad founded 1930
2 Bhikamchand Mohta, Hinganghat, Central Provinces (46,000 spindles, 585 looms)
3 Srinivas (formerly Fazalbhoy) Mills—purchased in 1934 by Ramnath Narsinghdas Maru, Magniram Ramkumar Bangur, and Lakshminarain Hazarimal Somani (52 000 spindles 1,994 looms)
4 Shriram Saligram Rathi—Krishna Mills Beawar, founded 1891
5 Bansilal Abirchand—three cotton mills in Nagpur Hinganghat (founded 1904) and Badnera Also owned six collieries
6 Agarchand Ramnarain of Poona
   (1) Poona Cotton and Silk Manufacturing Co Ltd
   (2) Poona Swadeshi Weaving Co
7 R B Harkisandas Pannalal Bhatter was a partner with the Digamber Jain Khandelwal firm, Swarupchand Hukumchand, in five cotton textile mills in Indore (three founded 1909 1914, and 1916) a jute mill in Calcutta (founded 1918, 300 looms 1,100 spindles), and a steel rolling mill also in Calcutta
8 Dayaram Surajmal Lahoti of Gulbarga, Hyderabad owned a half share in the Mehbub Shahi Mills in Hyderabad
9 Hindumal Balmukund Loya of Poona founded the Swadeshi Cotton and Silk Mill in 1891 and a second mill in 1906
10 Shivjiram Dhut had a half share in the Indore State Mill
11 Ramnarain Jainarain Lora of Sangli established the Shri Balaji Cotton Spinning and Weaving Factory (7,000 spindles 150 looms) in 1935
12 Sevaram Khushalchand of Jabalpur had the Gokuldas and Vallabhdas Spinning and Weaving Co founded in 1885 (15 208 spindles and 267 looms) and the Perfect Pottery Works founded in 1905
13 Birla Brothers established several firms in 1918 22

(1) textile mills in Delhi and Gwalior, and one later acquired in Calcutta
(2) a jute mill in Calcutta

In addition Maheshwaris and Aggarwals had numerous gins and oil seeds mills as ancillaries to their commodity marketing operations They had interests in several sugar mills mines, and other enterprises

Among Aggarwals in cotton textiles my sample shows

1 Anandilal Poddar of Bombay owned the Toyo Poddar Cotton Mills
2 Chaterbhuj Piramal of Bombay owned the managing agency for the Morarji Gokuldas Mills and shared that for the Prahladh Mills with Ganesh Narain Onkarmal
3 Chemram Jesraj Poddar of Bombay had the managing agency for a mill in Ujjain
4 Ganeshram Fatehchand More had a share in the Saraswati Mill in Raipur
5 Goverdhandas Govindram Seksaria of Bombay was managing agent for the Indore-Malwa Mills, purchased along with Lacchiram Brijmohan Poddar and Sarupchand Prithviraj Rungta in 1934 and for the three Johns Mills in Agra
6 Hargovindas Dalmia of Calcutta bought the Mathuradas Mills in 1921 (22 500 spindles and 250 looms)
7 Lakshmichand Jaipuria of Delhi was a partner in 1923 in the Khalsa Mills there, with Sardar Sobha Singh (235 looms, 8,400 spindles) In 1930 he bought out Sobha Singh s share and renamed the mills Lakshmichand Jaipuria Spinning and Weaving Mill and added 3 232 spindles
8 The Jhajharia family bought the Sholapur Weaving and Spinning Co from Morarji Gokuldas and also founded the Gaurishanker Jute Mills in Shyamnagar, near Calcutta
9 The Pitty family of Hyderabad had cotton mills (founded 1875 90) in Poona and Bombay
10 Ramnarain Ramnivas Ruia had the Bradbury and Phoenix mill managing agencies in Bombay, purchased in the 1930s
11 Parasram Harnandrai Goenka of Delhi had the Goenka Mills in Delhi
12 Sadhuram Tolaram Goenka of Calcutta had two cotton mills purchased in 1916 and 1927 (42 690 spindles)

13. Samvatram Ramprasad Goenka of Dahihanda had a cotton textile mill (12 500 spindles and 200 looms)
14. The heirs of Sevaram Ramrikhdas Singhania's family were in a variety of industries The family of Juggilal Kamlapat of Kanpur for example, established four cotton textile mills after World War I in Kanpur, and one jute factory These were added to heavy investments in the European controlled mills of the city especially the Atherton West Mill Another branch of the Singhania family was involved in the Baijnath Balmukund Woollen Mills Yet another had started a small cotton textile mill in Mirzapur in 1896 and a jute factory in 1900
15. Shivnarain Surajmal Nemani of Bombay shared the managing agency of the Akola Mills with Sarupchand Hukumchand and R K Dalmia
16. One Raniwala firm owned the Edward Mills in Beawar and the Mewar Textile Cotton Mill Bhilwara (founded in the 1930s)
17. Motilal Manikchand, the Pratap Seth of Amalner in Berar had two mills (founded 1906 and 1922) in Amalner and one (founded 1924) in Dhulia

In addition several other Aggarwal firms had jute mills

1. Ganpatrai Rajgarhia of Bihar founded the Kedarnath Jute Mill in 1930
2. The family of Harduttrai Chamaria a great opium speculator and the wealthiest Marwari of his epoch founded two jute mills after World War I, one in Katihara, Purnea and the other near Jogvani Station
3. The Khetan family of Padrauna in eastern U P were partners with Gangadhar Baijnath in a 2 million rupee jute mill and with Chaterbhuj Piramal in the Morarji Cotton Textile Mills in Bombay
4. Surajmal Nagarmal of Calcutta founded the Hanuman Jute Mill in Calcutta in 19[illegible]8
5. Vishendayal Gajanand Poddar of Calcutta had a jute manufacturing company
6. Bhenvraj Bansidhar Kamani founded the Shri Mahavir Jute Mills in 1933

APPENDIX B

Conservative Satire of Maheshwari Reformers from Maheshwari Bandhu



Reformer Addresses Public Meeting





Away with Old Traditions



Woman-Chasing



Imbibing Liquor and Eating Meat with Muslims Parsis and Foreigners



Widow Remarriage

APPENDIX C

Population of Marwari Merchants in Rajasthan and their Locations

The concentration of merchants in politically favored centres is reflected in our sample (drawn from caste directories) by the number of businessmen tracing their origin to the leading towns of Shekhavati

Towns of Origin of 456 Aggarwals listed in Caste Directories

Name of Town	Founded	Aggarwals from Sample	pop 1835	pop 1901
Sikar Thikana				
Fatehpur	1505	57 (and 1 Oswal)	5000 Hs	16 000
Ramgarh	1783	22	3000 Banias	11 000
Lakshmangarh	1806	23 (and 2 Maheshwaris)		10 000
Sikar	1731	6 (and 3 Maheshwaris)		21 000
Khetri Thakura				
Khetri		4		9 000
Chirawa		12		
Kotputli		2		
Other Thikanas				
Bisau		19		7 700
Mandawa		19		5 000
Mukundgarh		10		
Navalgarh	1734	22	500 Hs	12 000
Malsisar		7	500 Banias	
Alsisar		5		
Surajgarh		10		

Other Towns				
Ratangarh (Bikaner)	late 18th century	24	7000–75 Banias	12 000
Churu (Bikaner)	1620		17 Aggarwals 4 Oswals 8 Maheshwari	16 000
Jhunjhunu (Shekhavati)		10		12 000
Singhana (Shekhavati)		9		5 000

Bibliography

THEORY AND COMPARATIVE

Hemlata Acharya Creative Response in Indian Economy A Comment *Economic Weekly* IX (April 17 1957) pp 547 549

Vinod K Agarwal *Initiative Enterprise and Economic Choices in India* New Delhi 1975

Hugh G J Aitken ed *Explorations in Enterprise* Cambridge Mass 1965

Alec P Alexander Industrial Entrepreneurship in Turkey Origins and Growth *Economic Development and Cultural Change* VIII (July 1960) pp 349 365

Alec P Alexander Industrial Entrepreneurship in Contemporary Greece *Explorations in Entrepreneurial History* Second Series III pp 101 120

Alec P Alexander The Supply of Industrial Entrepreneurship *Explorations in Entrepreneurial History* Second Series IV (Winter 1967) pp 136-149

Philip Aranow Alien Entrepreneurs The Indians in Uganda 1958 68 B A Thesis Harvard University 1969

Roger Bellah Reflections of the Protestant Ethic Analogy in Asia *The Protestant Ethic and Modernization A Comparative View* Edited by S N Eisenstaedt New York 1968

Burton Benedict Family Firms and Economic Development *Southwestern Journal of Anthropolgy* I (Spring 1968) pp 1 19

S Bhattacharya Cultural and Social Constraints on Technological Innovation and Economic Development Some Case Studies *Indian Economic and Social History Review* III (September 1966) pp 240-267

Santi Priya Bose Peasant Values and Innovation in India *American Journal of Sociology* LVII (March 1962) pp 552 560

Yale Brozen Determinants of Entrepreneurial Ability *Social Research* XXI (Autumn 1954) pp 339 364

Roger V Burton and John W M Whiting The Absent Father and Cross-section Identity *Merrill Palmer Quarterly of Behavior and Development* VII (April 1961) pp 85 95

John Carroll *The Filipino Manufacturing Entrepreneur Agent and Product of Change* Ithaca N Y 1963

Elizabeth Clarke Batak Entrepreneurship Mimeo Cambridge Mass 1959

Rene Clemens La Mentalite d Entrepreneur au Primiere Phases du Development *Transactions of the Fifth World Congress of Sociology* Volume 2 Louvain 1962 pp 33 50

Thomas Cochran The Entrepreneur in Economic Change *Explorations in Entrepreneurial History* Second Series II (Fall 1965) pp 25-38

Thomas Cochran *The Puerto Rican Businessman* Philadelphia 1959

Phillips Cutright Occupational Inheritance A Cross National Analysis" *American Journal of Sociology* LXXVII (June 1968) pp 400-416.

John Dales Approaches to Entrepreneurial History *Explorations in Entre preneurial History* First Series (January 1949) pp 10-14
James P Dator The Protestant Ethic in Japan *Journal of Developing Areas* I (October 1966) pp 23-40
Kingsley Davis *The Population of India and Pakistan* Princeton N J 1951
Louis Dellot *Race and Human Migration* New York 1964
Alice Dewey Trade and So ial Control in Java *Journal of the Ro)al Anthropological Institute* (1962) pp 177 190
Alice Dewey *Peasant Marketing in Java* New York 1963
S N Eisenstaedt *The Protestant Ethic and Moderni ation A Comparative View* New York 1968
V R Gaikwad and R M Tripathi *Socio-Psychological Factors Influencing Industrial Entrepreneurship in Rural Areas A Case Study in Tanuku Region of West Godavari Andhra Pradesh* Hyderabad 1970 Reviewed by Satish Saberwal Landlords into Industrialists *Economic and Political Weekly* VII (September 2 1972) pp 1834-1835
Clifford Geertz *Princes and Peddlars* Chicago 1963
Alexander Gerschenkron The Modernization of Entrepreneurship Edited by Myron Weiner *Moderni ation* New York 1966 pp 246-257
Alexander Gerschenkron *Economic Backwardness in Historical Perspective* Cambridge Mass 1966
Alexander Gerschenkron *Europe in the Russian Mirror* London 1970
Alexander Gerschenkron Review of E Hagen *A Theory of Social Change Economica* XXXII (February 1965) pp 90 94
William P Glade Approaches to a Theory of Entrepreneurial Function *Explorations in Entrepreneurial History* Second Series IV (Spring-Summer 1967) pp 245 259
M S Gore *Urbani ation and Social Change* Bombay 1968
David Golovensky The Marginal Man Concept *Social Forces* XXX (March 30 1952) pp 333 339
R R Gregory A Note on Relative Backwardness and Industrial Structure *Quarterly Journal of Economics* LXXXVIII (August 1974) pp 520-527
Everett Hagen *A Theory of Social Change* Homewood Ill 1962
J R Harris Industrial Entrepreneurship in Nigeria Ph D Thesis Northwestern University 1967
J R Harris and M P Ro e Entrepreneurial Pattern in the Nigerian Sawmilling Indust y *Nigerian Journal of Economic and Social Stud es* (March 1966)
William B Hauser *Economic Institutional Change in Tokugawa Japan Osaka and the Kinai Cotton Trad* New York 1974
Leighton Hazelhurst *Entrepreneurship and the Merchant Castes in a Punjab City* Durham North Carolina 1966
Polly Hill *Studies on Rural Capitalism in West Africa* London 1970
Johannes Hirschmeier *The Origins of Entrepreneurship in Meiji Japan* Cambridge Mass 1964
Bert Hoselitz *The Sociological Aspects of Economic Growth* Glencoe Ill 1960
Bert Hoselitz Entrepreneurship and Traditional Elites *Explorations in Entrepreneurial History* Series Two I (Fall 1963) pp 36-49

Jules Isaac *Economics of Migration* London 1947
K. W Kapp *Hindu Culture Economic Development and Economic Planning in India* New York 1963
George Katona Review of *The Achieving Society American Economic Review* LII (June 1962) pp 580 583
P Kirby *African Enterprise The Nigerian Bread Industry* Stanford 1965
P Kirby *Entrepreneurship and Economic Development* New York 1971
David Landes *Bankers and Pashas* Cambridge Mass 1958
F C Lane and J D Riermersma ed *Enterprise and Secular Change* London 1953
David McClelland *Achieving Society* Glencoe Ill 1961
David McClelland *et al Motivating Economic Achievement* New York 1969
Vikas Mishra *Hinduism and Economic Growth* Bombay 1962
Peter Marris The Social Barriers to African Entrepreneurship *Journal of Development Studies* V (October 1968) pp 29 38
Morris David Morris *The Emergence of an Industrial Labor Force in India* Berkeley Calif 1965
Morris David Morris Values as an Obstacle to Economic Growth in South Asia An Historical Survey *Journal of Economic History* XXVII (December 1967) pp 588-607
E. W Nafziger Nigerian Entrepreneurship A Study of Indigenous Business men in the Footwear Industry Ph D Thesis University of Illinois 1967
Ashish Nandy Entrepreneurial Cultures and Entrepreneurial Man *Economic and Political Weekly* VIII (Nov 1973) Review of Mgt. M 98 106
Mrs D P Paddit Creative Response in Indian Economy A Regional Analysis" *Economic Weekly* IX (February 23 1957) pp 283 285 and (March 2 1957) pp 315 317
Gustave F Papanek. The Development of Entrepreneurship *American Economic Review* LII (May 1962) pp 55 58
Gustave F Papanek The Industrial Entrepreneurs—Education Occupational Background and Finance Ed G Papanek and Walter Falcon *Development Policy The Pakistan Experience* Cambridge Mass 1971
V I Pavlov *The Indian Capitalist Class* New Delhi 1964
Victor Purcell *The Chinese in Southeast Asia* 2d ed Oxford 1965
M S A Rao Religion and Economic Development *Sociological Bulletin* XVII (March 1969) pp 1 15
Robert Redfield *Peasant Society and Culture* Chicago 1956
Fritz Redlich Business Leadership Diverse Origins and Variant Forms" *Economic Development and Cultural Change* VI (April 1958) pp 177 190
Fritz Redlich Economic Development Entrepreneurship and Psychologism A Social Scientist s Critique of McClelland s *Achieving Society Explorations in Entrepreneurial History* Second Series I (Fall 1963) pp 10-35
Fritz Redlich The Origins of the Concepts of Entrepreneur and 'Creative Entrepreneur *Explorations in Entrepreneurial History* First Series L (January 1949) pp 1 7
Alfred J Rieber The Formation of La Grande Societe des Chemins de Fer Russes." *Jahrbucher fur Gesichte Ost Europas* 21 (1973) pp 375-391
Jules C. Riemersma "Max Weber s Protestant Ethic An Example of Historical

Conceptualization *Explorations in Entrepreneurial History* L (January 1949) pp 11 19

Bernard Rosen and Ray D Andrade The Psycho-social Origins of Achievement Motivation *Sociometry* XXII (September 1959) pp 185 218

S and L Rudolph *The Modernity of Tradition* Chicago Illinois 1966

Edgar Salin The Schaumpetrian Theory and Continental Thought" and comments by A Gerschenkron and G Kolm and D L Spencer and A Voranic *The Transfer of Technology to Developing Countries* New York 1967

Kurt Samuelsson *Religion and Economic Order* New York 1961

A K Saran Hinduism and Economic Development in India *Archives des Sociologies des Religions* XV (January June 1963) pp 87 94

Yusuf Sayegh *Entrepreneurs of Lebanon The Role of the Business Leader in a Developing Country* Cambridge Mass 1962

Sayre P Schatz Capital Accumulation in Economic Development. *Journal of Development Studies* V (October 1968) pp 49-53

Sayre P Schatz N Achievement and Economic Growth A Critique. *Quarterly Journal of Economics* LXXIX (May 1955) pp 234-247

Henry Schloss The Concept of Entrepreneurship in Economic Development" *Journal of Economic Issues* II (June 1968) pp 228 232

Joseph Schumpeter *The Theory of Economic Development* Cambridge Mass 1949

K N Sharma Resource Networks and Resource Groups in the Social Structure *Eastern Anthropologist* XXII (January April 1969) pp 13 28

C D Sheldon *The Rise of the Merchant Class in Tokugawa Japan 1600 1868* Locust Valley N Y 1958

Thomas W Shea Jr Barriers to Economic Development in Traditional Societies Malabar A Case Study *Journal of Economic History* XIX (December 1959) pp 504-522

G K Shirokov and L I Reisner *Sovremmennaya Induskaya Bur hua iya* Moscow 1966

Leo Silberman The Evolution of Entrepreneurship in the Process of Economic Development *The Annals* No 305 (May 1956) pp 32-44

N A Simoniya *Overseas Chinese in Southeast Asia—A Russian Study* Ithaca N Y 1961

Narayan Prasad Singh and Kiran Singh (Mrs) Motivational Components of Agricultural and Business Entrepreneurs in India *Indian Journal of Industrial Relations* VII (July 1971) pp 31 52

Milton Singer The Indian Joint Family in Modern Industry *Tradition and Change in India* Ed B Cohn and M Singer New York 1968 pp 423-452

Milton Singer Review of the Religion of India by Max Weber transl by H Gerth and C W Mills *American Anthropologist* LXIII (1971) pp 143 151

Milton Singer *et al* India s Cultural Values and Economic Development A Discussion *Economic Development and Cultural Change* VIII (July 1958) pp 1 12

Milton Singer The Modernization of Religious Beliefs *Moderni ation* Edited by Myron Weiner New York 1966 pp 35 67

Milton Singer On the Modernization of Cultural Traditions (with special reference to India) Manuscript

Milton Singer Religion and Social Change in India The Max Weber Thesis

Phase Three *Economic Development and Cultural Change* XIV (July 1966) pp 497 505

Milton Singer Text and Context in the Study of Contemporary Hinduism *Adyar Library Bulletin* XXV (1961) pp 274 303

Milton Singer *When a Great Tradition Modernizes An Anthropological Approach to Indian Civilization* New York 1972

Ed Milton Singer *Entrepreneurship and Modernization of Occupational Cultures in South Asia* Monograph 12 Duke University Program in Comparative Studies in South Asia Durham N C 1973

G W Skinner *Chinese Society in Thailand* Ithaca N Y 1957

W Sombart *Das Wirtschaft in Zeitalter des Hochkapitalismus* Munich 1927

Max Sorre *Les Migrations des Peuples Essai sur la Mobilite Geographique* Paris 1955

Stanley Stein *The Brazilian Cotton Manufacture Textile Enterprise in an Underdeveloped Area 1850 1950* Cambridge Mass 1957

Richard G Stokes The Afrikaner Industrial Entrepreneur and Afrikaner Nationalism *Economic Development and Cultural Change* XXII (July 1974) pp 557 579

Barry Supple A Business Elite German Jewish Financiers in Nineteenth Century New York *Business History Review* XXI (Summer 1957) pp 143 178

R C Tawney *Religion and the Rise of Capitalism* New York 1926

Adrian Taynans Facts and Theory in Entrepreneurial History *Explorations in Entrepreneurial History* First Series I (January 1949) pp 15 20

Justin Van der Kroef Entrepreneur and Middle Class in Indonesia *Economic Development and Cultural Change* II (January 1954) pp 297 325

R Stephen Warner The Role of Religious Ideas and the Use of Models in Max Weber s Comparative Studies of Non-Capitalist Societies *Journal of Economic History* XXX (March 1970) pp 74-88

Max Weber *The Protestant Ethic and the Spirit of Capitalism* Translated by Talcott Parsons New York 1948

Max Weber *The Sociology of Religion* Translated by Ephraim Fischoff Boston 1964

William Wertheim The Trading Minorities in Southeast Asia *East West Parallels Sociological Approaches to Modern Asia* Chicago 1965

Harrison C. White and Cynthia White *Canvases and Careers* New York 1965

Howard Wimberley On Living with Your Past Style and Structure Among Contemporary Japanese Merchant Families *Economic Development and Cultural Change* XXII (April 1973) pp 423-426

Yen Ping Hao *The Comprador in Nineteenth Century China* Cambridge Mass 1971

Yozo Yamamura *A Study of Samurai Income and Entrepreneurship Quantitative Analyses of Economic and Social Aspects of the Samurai Tokugawa and Meiji Japan* Cambridge Mass 1974

T Sunehiko Yuio The Personality and Career of Kikojiro Nakamigawa 1887 1901 *Business History Review* XLIV (Spring 1970) pp 39-61

GENERAL MATERIAL ON BUSINESS COMMUNITIES

James Berna *Industrial Entrepreneurship in Madras State* Bombay 1960

Andrew J Brimmer Setting of Entrepreneurship in India *Quarterly Journal of Economics* LXIX (November 1955) pp 553 576

Andrew J Brimmer Some Aspects of the Rise and Behavior of the Business Communities in Bombay Seminar Paper MIT n d

John Broomfield The Rural Parvenu A Report of Research in Progress *South Asian Review* VII (April 1973) pp 181 195

D R Gadgil *Notes on the Rise of Business Communities in India* New York 1951

D R Gadgil *Origins of the Modern Indian Business Class An Interim Report* New York 1959

Aurobindo Ghosh Industrial Concentration by the Managing Agency System in India 1948 68 *Economic and Political Weekly* VII Special Issue on Review of Management (June 1973) pp M 57 M-63

Aurobindo Ghosh I— Investment Behavior of Monopoly Houses *Economic and Political Weekly* IV (Oct 28 1974) II— Structure of Fixed Investment Decisions pp 1813 1824

Aurobindo Ghosh III— Economics of Pre Emption *Economic and Political Weekly* IX (Nov 2 1974) pp 1868 1876

Aurobindo Ghosh Time Profile of Fixed Investment and Other Implications of the Structure of Investment Decisions *Economic and Political Weekly* IX (Nov 9 1974) pp 1911 1915

A Ghosh Japanese Zaibatsu and Indian Industrial Houses An International Comparison *American Journal of Economics and Sociology* XXXIII (July 1974) pp 317 326

Helen Lamb The Development of Modern Business Communities in India Ed R F Aronson and J P Windmuller *Labor Management and Economic Growth Proceedings of a Conference on Human Resources and Labor Relations in Underdeveloped Countries* Ithaca N Y 1954

Helen Lamb The Indian Business Communities and the Evolution of an Industrialist Class *Pacific Affairs* XXVIII (June 1955) pp 101 116

Helen Lamb The Indian Merchant ed Milton Singer *Traditional India Structure and Change* Philadelphia 1959 pp 25 34

Helen Lamb Business Organization and Leadership in India Today ed Richard Park and Irene Tinker *Leadership and Political Institutions in India* Princeton 1959 pp 251 267 *Report of the Monopolies Inquiry Commission 196* Volumes I & II

Bhairaj Nandvani *Orissa Aur Marwari Samaj* (Hindi) Cuttack 1945

Thomas Timberg *Industrial Entrepreneurship among the Trading Communities of India How the Pattern Differs* Cambridge Mass 1969

Dwijendra Tripathi Indian Entrepreneurship in Historical Perspective A Re interpretation *Economic and Political Weekly* VI (May 29 1971) *Review of Management* pp M 59 65

Specific Community Studies

Rishi Gemini Kaushik Barua *Mai Apni Marwari Samaj ko Pyar Kartaa Hun* (Hindi) Vol I Calcutta n d Vol II Calcutta 1970 Vol III Calcutta 1972

S R Bhandari *Agarwal Jati ka Itihas* (Hindi) Vol I Bhanpura Indore 1937 Vol II Bhanpura Indore n d

S R Bhandari *Maheshwari Jati ka Itihas* (Hindi) Bhanpura Indore n d

S R Bhandari *Oswal Jati ka Itihas* (Hindi) Bhanpura Indore 1934

Harmukhrai Chavcharia *Keria Jati ka Itihas* (Hindi) Calcutta n d

C M Doshi Dasa Shrimali Jaina Bania s of Kathiawar Ph.D Thesis Univ of Bombay 1933

Amalendu Guha The Comprador Role of Parsi Seths 1750-1850 *Economic and Political Weekly* V (November 28 1970) pp 1933 1936

Amalendu Guha Parsi Seths as Entrepreneurs 1750-1850 *Economic and Political Weekly* V (August 29 1970) *Review of Management* pp M 107 115

Walter Fischel *Hayehudim B Hodo* (Hebrew) Jerusalem 1960

Richard Fox Family Caste and Commerce in a North Indian Market Town *Economic Development and Cultural Change* XV (April 1967) pp 297 314

Richard Fox *From Zamindar to Ballot Box Community Change in a North Indian Market Town* Ithaca 1969

M S Gore The Impact of Industrialization and Urbanization on the Aggarwal Family of the Delhi Area Ph D Thesis Columbia University 1961

Fatehchand Gupta *Marwari Gaurav Pritham Bhag* Delhi 1960

Shoji Ito A Note on the Business Combine in India—with Special Reference to the Nattukottai Chettiars *The Developing Economies* IV (Sept 1966) pp 367 380

Bhimsen Keria *Bharat Mee Marwari Samaj* (Hindi) Calcutta 1947

Robert Kennedy The Protestant Ethic and the Parsees *American Journal of Sociology* LXVIII (July 1960) pp 11 20

Blair Kling Entrepreneurship and Regional Identity in Bengal Ed D Kopf *Bengal Regional Identity* East Lansing Mich. 1969 pp 75 84

Blair Kling. Indian and British Business in Calcutta 1820-1860 Delivered at American Historical Association December 30 1966

Eckehard Kulke *The Parsees* Bombay 1968

S Levin Evoliotzii Musulmanskix torgovyx kast V sviazi srazvitiem Kapita lizma (na primera Boxra Memanov i Xodjha) G G Kotovsky ed *Kasty v Indii* Moscow 1965 pp 233 261

S Levin Reformatorskoe dvizhenie Induskoi Torgovoi obshchine Ismailitov xodjha v 1829 1865 gg *Kratkie Soobshchenia Institute Narodov Azii* AN SSSR No 51 Moscow 1962

S Levin *Formirovanie Bur hua iya Pakistana* Moscow 1971

Ed Hariprasad Maheshwari and Damodar Das Daga *Maheshwari Sabha Swarn Jayanti 1914 1964* Calcutta 1964

W W Mckelvey Environmental Influences on Two Business Communities Industrial Mgt Thesis M I T 1962

Makrand Mehta Maharaj Libel Case A Study of Social Change in Western India in 19th Century *Indo Asian Culture* XIX (Jan 1970) pp 28 39

Harry Abram Milman The Marwari A Study of a Group of Trading Castes M A Thesis University of California Berkeley Calif 1954

Mattison Mines *Muslim Merchants The Economic Behavior of an Indian Muslim Community* New Delhi 1972

Balchand Modi *Desh kee Itihas mee Marwari Jati kaa Sthaan* (Hindi) Calcutta 1940

Raymond Owens Mahishya Entrepreneurs in Howrah West Bengal Ed Robert and Mary Jane Beech *Bengal Change and Continuity* East Lansing Michigan 1971 pp 87 117

Chittabrata Palit Indigenous Business Enterprise and its Failure in Bengal 1780 1880 *Quarterly Review of Historical Studies* VI (1966-1967) pp 213 223

Hanna Papanek Leadership and Social Change in the Khoja Ismaili Community Ph D Thesis Harvard University 1962

Hanna Papanek Entrepreneurs in East Pakistan Ed Robert and Mary Jane Beech *Bengal Change and Continuity* East Lansing Mich 1971 pp 119 150

Hanna Papanek Pakistan s New Industrialists and Businessmen Focus on the Memon Ed Milton Singer *Entrepreneurship and the Modernization of Occupational Cultures in South Asia* Chicago 1972

Hanna Papanek Pakistan s Big Businessmen Separatism Entrepreneurship and Partial Modernization *Economic Development and Cultural Change* XXI (Oct 1972) pp 1 32

Leon Schwartzberg Caste and Entrepreneurship in Town and Village Presented at Association of Asian Studies March 23 1967

S K Sen *Studies in Industrial Policy and Development of India 1858 1914* Calcutta 1964

S K Sen *Studies in Economic Policy and Development of India 1858 19 6* Calcutta 1966

Vishambhar Prasad Sharma *Maheshwari Jan Jagriti Darshan* (Hindi) Nagpur 1956

N K Sinha *The Economic History of Bengal* 3 Vols (Calcutta 1961 1970)

Howard Spodek The Manchesterization of Ahmedabad *Economic Weekly* XVII (March 13 1965) pp 483-490

Howard Spodek Traditional Culture and Entrepreneurship *Economic and Political Weekly* IV (Feb 22 1969) *Review of Mgt* pp M 27 M 31

U T Thakar *Sindhi Culture* Bombay 1959

Thomas A Timberg Business and Industry in Nineteenth Century India *Economic and Political Weekly* V (Nov 28 1970) pp 1927 1928

Thomas A Timberg A North Indian Firm as Seen Through its Business Records 1860 1914 Tarachand Ghanshyamdas A Great Marwari Firm *The Indian Economic and Social History Review* VIII (Sept 1971) pp 264-283

Thomas A Timberg The Origins of Marwari Industrialists Ed Robert and Mary Jane Beech *Bengal Change and Continuity* East Lansing Michigan 1971 pp 151 182

Thomas A Timberg A Note on the Arrival of Calcutta s Marwaris *Bengal Past and Present* Part I Serial No 169 XL (Jan June 1972) pp 75 84

Thomas A Timberg Three Types of the Marwari Firm *The Indian Economic and Social History Review* X (Jan 1973) pp 1 36

Thomas A Timberg Marwari Merchant Migration A Survey and Discussion

of the Relevance of Theory Paper at 29th Int Conf of Orientalists Paris 1973

Thomas A Timberg The Jews of Calcutta *Bengal Past and Present* XLIII (Jan April 1974) pp 7 22

Satyadev Vidyalankar *Marwari Gaurav* (Hindi) New Delhi

Akhil Bhartiya Svetambar Stanakvasi Jain Conference Svarn Jayanti Granth (Hindi) Bhinasar 1956

Akhil Bharatvarshiya Marwari Sammelan Rajat Jayanti Maha Adhiveshan (Hindi) Calcutta n d

All India Digambara Jain Directory Bombay 1914

Jaina Svetambara Directory (Gujerati) Bombay 1909

Marwari Sammelan Svarn Jayanti Mahashabha Bombay 1914-1964 (Hindi) Bombay 1964

Marwari Relief Society Kalkala Svarn Jayanti (Hindi) Calcutta 1963

Shri Maheshwari Navyuvak Sabha 1941 1967 Raja Jayanti Smarak (Hindi) Delhi 1967

BIOGRAPHY AUTOBIOGRAPHY AND INDIVIDUAL FIRM HISTORIES

Amin	B D Amin	*The Rise and Growth of the Alembic Chemical Works A History* pvt n p 1939
Arathoon	H M Nadjarian	*Life Story of Mr A M Arathoon* Calcutta 1958
Agarvala	T K Agarwala ed	*Harbilas Agarvala Dangariyar Atma Jivani* (Hindi) Gauhati 1969
Bajaj	R. K Bajaj	*Atlantik kee Us Paar* (Hindi) New Delhi 1961
	G D Birla	*Shri Jamnalalji* (Hindi) New Delhi n d
	Parmeshvarilal Gupta	*Jamnalal Bajaj* (Hindi) Benares 1941
	Kaka Kalelkar	*A Gandhian Capitalist* Bombay 1946
	T V Pavate	*Jamnalal Bajaj* (Gujerati) Ahmedabad n d
	Ram Naresh Tripathi	*Seth Jamnalal Bajaj* (Hindi) Allahabad 1932
	Haribhau Upadhyay	*Sreyarthi Jamnalalji* (Hindi) New Delhi 1951
Birla	G D Birla	*In the Shadow of the Mahatma* London 1953
	G D Birla	*Kuch Dekha Kuch Suna* (Hindi) New Delhi 1966
	G D Birla	*Dayri kee Pannee* (Hindi) New Delhi 1957
	G D Birla	*Rup aur Svarup* (Hindi) New

		Delhi n d
	Rishi Jaimini Kaushik Barua	*Raja Baldevdas Birla* (Hindi) Calcutta n d
	Debajyoti Burman	*The Mystery of Birla House* Calcutta 1950
		T T K and Birla House Calcutta 1957
	Atulananda Chatterjee	*Birla* Calcutta 1956
Cama	S M Edwardes	*Kharsedji Rustamji Cama 1831 1909 a memoir* London 1923
Chinoy	Sultan Chinoy	*Pioneering in Indian Business* Bombay 1962.
Chokhany	Radhakrishan Newatia	*Shri Ramdev Chokhany* (Hindi) Calcutta n d
Dalmia	R K Dalmia	*A Short Sketch of the Beginnings of My Life and a Guide to Bliss* New Delhi 1962
	R K Dalmia	*Some Notes and Reminiscences* New Delhi 1959
		Ministry of Commerce and Industry Dept of Company Law Administration *Report of the Commission of Enquiry on the Administration of Dalmia Jain Companies* (New Delhi 1963)
	R K Hazari	Report of the Commission of Enquiry on the Administration of Dalmia Jain Companies *Economic Weekly* 15 (April 20 1962) pp 675 677 682
Dey		Ram Doolal Dey The Bengali Millionaire *Selections from the Writings of Grish Chunder Ghose* Calcutta 1912
Dinshaw	A N Joshi	*The Life and Times of Sir Hormusjee D Dinshaw* N p n d
Dudweywala	Acharya Harish Sharma	*Nathany Smriti Granth* (Hindi) Calcutta 1966
Goenka	B D Goenka	*Meree Sansmaran* (Hindi) Calcutta n d
Hamied	K A Hamied	*An Autobiography A Life to Remember* Bombay 1972
Hukumchand	Ed Hazarilal Jain *et al*	*Raoraja Sir Seth Hukumchandji ka Sankshept Jivan Charitr* (Hindi) Indore 1960

	Ed S Vidyalankar	*Hukumchand Abhinandan Granth* (Hindi) Delhi 1951
Jalan	Rishi Jaimini Kaushik Barua	*Shri Surajmal Jalan Madhu Mangal Shri* (Hindi) Calcutta n d
	N C Roy	*The Mystery of Bajoria Jalan House* Calcutta 1972
Jeejeebhoy	S H Jhabvala	*Sir Jamshedji Jeejeebhoy* Bombay 1921
	Jehangir R P Mody	*Jamsetjee Jeejeebhoy* Bombay 1958
	K Sorabji Nazir	*First Parsee Baronet* Bombay 1866
Jehangir	Cowasji Jehangir Bart	*Life of Sir Cowasji Jehangir Readymoney* London 1890
Jhunjhunwala	*Rai Surajmal Jhunjhunwala Bahadur* Typescript *Rai Bahadur Shivprasad Jhunjhunwala* Typescript	
Kanoi	*Rashtrasevy Shri Hanumanbaksh Kanoi Abhinandan Granth* (Hindi) Dibrugarh Assam 1969	
Kirloskar	*Yantrikanchi Yatra* (Marathi) Kirloskarwadi 1958 *The Professor as Plowman*	
Kothari	*Kothari and Sons* J Walter Thompson Ltd Madras n d	
Law	Kumud Lal Dey *The Law Family of Calcutta* Calcutta 1932	
Mahindra	Mahindra and Mahindra Ltd *Silver Jubilee 1945 1970* N p n d	
Malpani	J C Mukherjee *The Life of Raja Gokuldas C I E* Calcutta 1929	
Mangaldas Parekh	Bansidhar Goverdhandas Parekh. *Sheth Mangaldas Girdhardas* (Gujerati) Ahmedabad 1955	
Mohta	Ed S Vidyalankar *Eek Adarsh Samatv Yogli* (Hindi) New Delhi 1959	
Morarka	Ed Bhamvarlal *Basantlal Morarka Smriti Granth* (Hindi) Calcutta 1957	
Mukherjee	*The Martin Burn Story Martin Burn Ltd—A Historical Note* Rajkumar Chakravarty *Sir Rajendranath* (Bengali) K C. Mahendra. *Sir Rajendranath Mukherjee A Personal Study* Calcutta 1962.	
Pai	Selden Menefee *The Pais of Manipal* Bombay 1969	
Petit	S N Edwardes *Memoir of Sir Dinshaw Maneckjee Petit First Baronet* London 1923	
Poddar (Calcutta)	Rameshvar Prasad Patodia *Anandilal Poddar Smriti Pushpa* (Hindi) Calcutta n d	
Poddar (Bombay)	A Short Life Sketch of Seth Anandilal Poddar Typescript n p n d	
Poddar (Mathura)	Ed. Basudev Sharan Aggarwal. *Kanhaiyalal Poddar Abhinandan Granth* (Hindi) Mathura 1953	

Ranchodhlal	S M Edwardes *Memoir of Rao Bahadur Ranchodhlal Chottalal C I E* Exeter 1920
	R Badhshah *The Life of Rao Bahadur Ranchorelal Chhotalal C I E* Bombay 1899
	Trikamlal Damodardas No Title Typescript
Prafulla Chandra Ray	*Life and Experiences of a Bengali Chemist* (autobiography) London 1932
	Essays and Discourses by Dr Prafulla Chandra Ray Madras 1918
	Acharya Prafulla Chandra Ray Birth Centenary Souvenir Volume Calcutta 1962
	M Gupta *Prafulla Chandra Ray* N p n d
Riyalwala	Shivdutt Tiwari and Nauratanmal Riyawala *Gulabh Darshan* (Hindi) Ajmer 1930
Roychand	D E Wacha *Premchand Roychand His Early Life and Career* Bombay 1913
Sassoon	Cecil Roth *The Sassoon Dynasty* London 1941
	Stanley Jackson *The Sassoons* London 1968
Seal	K C Mittra *Muttylal Seal being a lecture delivered by K C Mittra* Calcutta 1869
Seksaria	Sitaram Seksaria *Sitaram Seksaria Smriti Ka* (Hindi) Calcutta 1950
Sen	Pratap Bannerjee *Sudhir Kumar Sen* Calcutta 1967
Seshasayees	*The House of Seshasayees* (brochure)
Setts of Sutanuti	Benoy Ghose Some Old Family Founders in Eighteenth Century Calcutta—1 *Bengal Past and Present* LXXIV (Jan June 1960)
Shankersett	V M Pitale *Shrimant Namdar Jagannath Shankersett* (Marathi) Bombay 1916
Shri Ram	Khushwant Singh and Arun Joshi *Shri Ram A Biography* Bombay 1968
Tagore	Chand Mitra *Memoir of Dwarkanath Tagore* Calcutta 1870
Tantia	Rameshvar Tantia *Kuch Ghatnai Kuch Sansmaran* (Hindi) Calcuta 1969
Tata	Frank Harris *J N Tata A Chronicle of His Life* Bombay 1958
Thackersey	Hiralal Lallubhai *Life and Speeches of Sir Vithaldas Thackersey* Bombay 1934
Thakurdas	Frank Moraes *Sir Purshottamdas Thakurdas* Bombay 1975
Wacha	D E Wacha *Shells form the Sands of Bombay Being My Recollections and Reminiscences 1860 1875* Bombay 1920
Wadia	R A Wadia *Scions of Lowjee Wadia and the Wadia Master Builders* Bombay 1964
	R P Masani *N M Wadia and His Foundation* Bombay 1961

G D Khanolkar *Walchand Hirachand Man His Times and Achievements* Bombay 1969

INDIAN COMMERCIAL INSTITUTIONS AND INDUSTRIAL HISTORY

A K Bagchi *Private Investment in India 1900 1939* Cambridge England 1972

Tarashanker Banerji *Internal Market of India 1834 1900* Calcutta 1966

Christopher Bayley The Urban Merchant Family in North India during the Nineteenth Century Unpublished manuscript

Christopher Bayley The Quasbah in North India Unpublished manuscript

Christopher Bayley Town Building in North India 1790-1830 *Modern Asian Studies* IX (Oct 1975)

Bernard E Brown Organized Business in Indian Politics *Indian Journal of Political Science* XXI (1962) pp 126-143

Daniel Buchanan *The Development of Capitalist Enterprise in India* New York 1934

T J Catanach *Rural Credit in Western India 1875 1930* Berkeley Calif 1968

Dipak Chakravarty and Ranajit Das Gupta Functions of the Nineteenth Century Banian A Document, *Economic and Political Weekly* IX (August 31 1974) *Review of Mgt* pp M73 74

Benoy Choudhury *Growth of Commercial Agriculture in Bengal (1757 1900)* Volume I Calcutta 1964

V Cirvante *The Indian Capital Market* London 1956.

W H Coates *The Old Country Trade of the East Indies* London 1911

Alan R Cohen *Tradition Change and Conflict in Indian Family Business* The Hague 1974

H L. Dholakia. *Futures Trading and Futures Market in Cotton with Special Reference to India* Bombay 1942

Ramesh C. Dutt. *The Economic History of India in the Victorian Age 183 1900* New Edition New Delhi 1960

Frank R. Eldridge *Oriental Trading Methods* New York 1923

Howard Erdmann *Politics and Economic Development in India* Delhi 1973

Richard Fox Resiliency and Change in the Indian Caste System The Umar of U P *Journal of Asian Studies* XXVI (August 1967) pp 575 587

J Gallagher and R. Robinson Imperialism of Free Trade *Economic History Review* (Second Series) XIV (1961-62) pp 489-501

K. Ghia, *Organi ed Markets* Bombay 1962

B C. Ghose *A Study of the Indian Money Market with Particular Reference to the Calcutta Money Market* Calcutta 1943

P Griffiths *The History of the Indian Tea Industry* London 1967

M S Gubbay *Indigenous Indian Banking* Bombay 1928

I Harnetty "Imperialism and Free Trade Lancashire and the Indian Cotton Duties, 1858 1862. *Economic History Review* (Second Series) XVII (1965-66) pp 333 349

P Harnetty The Indian Cotton Duties Controversy 1894-96 *English History Review* LXXVII (October 1962) pp 684-702.

R K Hazari *The Corporate Private Sector* Bombay 1966

Leon Hirsch. *Marketing in an Underdeveloped Economy* Edgewood NJ 1961

Report of the Industrial Licensing Policy Inquiry Committee New Delhi 1969
L C Jain *Indigenous Indian Banking* London 1929
Sagar Jain *Indian Manager His Social Origin and Career* Bombay 1971
S C Jha *Capitalism in India* Calcutta 1963
G K Karkal *Unorganized Money Markets in India* Bombay 1967
Michael Kidron *Foreign Investments in India* Bombay 1967
Blair B Kling The Origin of the Managing Agency System in India *Journal of Asian Studies* XXVI (November 1966) pp 37-48
Stanley Kochanek *Business and Politics in India* Berkeley Cal 1974
M L Kothari *Industrial Combinations* Allahabad 1967
Kasturchand Lalvani *Indian Business* Calcutta 1948
A I Levkovskii *Osobennosti razvitiia kapitali ma v Indii* Moscow 1963
P S Lokonathan *Industrial Organization in India* London 1955
R P Masani Banking Castes and Guilds in India *Journal of the Anthropological Society of Bombay* XIV (1931) pp 605-636
John McLean The Drain of Wealth and Indian Nationalism at the Turn of the Century Ed Tapan Raychaudhuri *Contributions to Indian Economic History*
Ashok Mehta *Who Owns Indian Industry?* Hyderabad 1950
M Mehta *Structure of Indian History* Bombay 1955
S D Mehta *The Cotton Mills of India 1854 1954* Bombay 1954
S C Mitter *A Recovery Program for Bengal* Calcutta 1936
Report of the Monopolies Inquiry Commission 1965 Volumes I & II New Delhi 1965
Morris David Morris *The Emergence of an Industrial Labor Force in India* Berkeley Calif 1965
Morris David Morris Towards a Reinterpretation of Nineteenth Century Indian Economic History *Indian Economic and Social History Review* V (March 1968) pp 1 16
S N Mukherjee and Edmund Leach *Elites in South Asia* Cambridge 1970
S K Muranjan *Modern Banking in India* Bombay 1940
Monopolies Inquiry Commission Report 1965 New Delhi 1966
M V Namjoshi *Monopolies in India* Bombay 1967
V I Pavlov *The Indian Capitalist Class* New Delhi 1964
V I Pavlov Ocherk Deyatel nosti Torgovstev i Rostovschikov v Kolonialnoi Indii (Russian) *Uchenye Zapiski Instituta Vostokovendenva* (1955) pp 99ff
D K Rangnekar *Poverty and Capital Development in India Contemporary Investment Patterns Problems and Planning* Oxford 1958
B R Rau *Present Day Banking in India* 3d ed Calcutta 1930
George Rosen *Some Aspects of Industrial Finance in India* Glencoe Ill 1962
R S Rungta *Rise of Business Corporations in India 1850 1900* Oxford 1970
S M Rutnagur *Bombay Industries The Cotton Mills* Bombay 1927
K G Saini The Growth of the Indian Economy *Review of Income and Wealth* XV (Sept 1969) pp 247 266
S D Saklatvala *History of the Mill Owners Association* Bombay n d
Sunil Sharma Origin and Growth of the Tea Industry in Assam in *Contributions to Indian Economic History II* Edited by T Raychaudhuri Calcutta

1963 pp 119 143
S B Singh *European Agency Houses in Bengal* Calcutta 1966
V B Singh *The Economic History of India 1857 1956* New York 1965
V R Sonalkar *Banking Frauds in India* Bombay 1937
A K Sur *Diamond Jubilee The Calcutta Stock Exchange 1908 1963* Calcutta 1968
D Tripathi Opportunism of Free Trade The Sadasheogarh Harbour Project 1855 1965 *Indian Economic and Social History Review* V (Sept 1967) pp 389-405
C N Vakil and D M Maluste *Commercial Relations between India and Japan* Calcutta 1937
Marika Vicziany Bombay Merchants and the Cotton Trade Structural Changes in the Export Trade 1850 1880 Paper at Conference on Indian Economic and Social History Cambridge July 1975 pp 23 25
E Washburn Hopkins Ancient and Modern Hindu Guilds *India Old and New* New York 1961
Report of the Bikaner Banking Enquiry Commission Bikaner 1930
Report of the Indian Central Banking Enquiry Commission Vols I and II Calcutta 1931

LOCAL MATERIAL

Archibald Adams *The Western Rajputana States* London 1899
B G Allen *Assam District Ga etteers* Vol III *Goalpara* Calcutta 1905 Vol IV *Kamrup* Allahabad 1905 Vol V *Darrong* Allahabad 1905 Vol VI *Nowgong* Calcutta 1905 Vol VII *Sibsagar* Allahabad 1906 Vol VIII *Lakhimpur* Calcutta 1905
Lakshmi Narain Tripathi and Narain Prasad Arora *Kanpur ka Itihas* (Hindi) Part II *Udhyog aur Byavsay*
A H E Boileau *Personnel Narratives of a Tour through the Western States of Rajwara in 1835* Calcutta 1837
N K Bose *Calcutta 1964 A Social Survey* Bombay 1968
Francis Buchanan *An Account of the District of Shahabad 1809 1810* Patna 1934 (re-edition)
James Campbell *Bombay Ga etteers* Vol XII *Khandesh* Bombay 1880 Vol VII *Ahmednagar* Bombay 1884 Vol VIII *Poona* Poona 1885 Vol XII *Thana* Bombay 1882 Vol XI *Kolaba and Janjira* Bombay 1889 Vol XXII *Dharwar* Bombay 1884
P S Choudhry *Rajasthan Between the Two Wars* Agra 1968
H E A Cotton *Calcutta Old and New* Calcutta 1907
W Crooke *Tribes and Castes of the North Western Provinces and Oudh* 4 Vols Calcutta 1896
Arthur Jules Dash *Bengal District Gazetteers Darjeeling* Alipore 1947
Amalendu Guha. Impact of Bengal Renaissance on Assam 1825 1875 IESHR IX 3 (Sept 1972) pp 288 304
Ashin Das Gupta. *Malabar in Asian Trade 1740-1800* Cambridge 1967
Ga etteer of the Delhi District 1883 Calcutta n d.
L. C. Dhariwal *Indore State Ga etteer* Vol I Indore 1931
Shrigopal Dinmani *Fatehpur Panchay* (Hindi) Fatehpur 1946.

Lt Col James Dixon *Sketches of Marwar 18J0*
D L Drake Brockman. *United Provinces Ga etteers* Vol XXVII *Mir apur* Allahabad 1911
D L Drake-Brockman *United Provinces Ga_etteers* Vol. XXXIV *Jhansi* Allah 1909
N N Dutt *Origin and Growth of Caste in India* 2 Vols Calcutta 1931
S M Edwardes *Bombay A Retrospect* Bombay 1902
S M Edwardes and R E Enthoven *The Ga etteer of Bombay City and Island* 3 Vols Bombay 1907 1910
P J Fagen *Punjab District Ca etteers* Vol II *Hissar District* Lahore 1907
Kenneth L Gillion *Ahmedabad A Study in Indian Urban History* Berkeley 1969
Charles Grant *The Ga etteer of the Central Provinces of India* Nagpur 1870
F S Growse *Mathura A District Memoir* Allahabad 1880
Leighton Hazlehurst *Entrepreneurship and the Merchant Castes in a Punjabi City* Durham N C 1966
Imperial Ga etteer of India New Edition Oxford 1907 1909
K A Jain *Jaipur Album* Jaipur 1935
Bhagwandas Kela *Desi Rajyo ki Jan Jagriti* (Hindi) Allahabad 1948
Thomas Keasinger Historical Materials on Rural India IESHR VII (Dec 1970) pp 489 510
Ram Narain Khazanchi *Kanpur Past and Present* N p n d
Ga etteer of the Lahore District 1883 1884
T Digges La Touche and Capt. C E Yate *Rajputana Ga etteer* 3 Vols Calcutta 1879 1880
Karen Leonard The Hyderabad Political System and its Participants *Journal of Asian Studies* XXX (May 1971) pp 569 582
C E Luard and R P Dube *Central Indian State Ga etteer Series Indore* Calcutta 1908
B M Malabari *Gujerat and the Gujeratis Pictures of Men and Manners Taken from Life* 3d Ed Bombay 1889
John Malcolm *A Memoir of Central India including Malwa and the Adjoining Provinces with the History and Copious Illustrations of the Past and Present Condition of that Country* 2 Vols Photo-offset edition New Delhi 1970
William Milburn. *Milburn s Oriental Commerce* 2 Vols London 1813
V C Misra *Geography of Rajputana* New Delhi 1967
W H Moreland *From Akbar to Aurangzebe* London 1923
W H Moreland *India at the Death of Akbar* London 1920
Nawalgarh Lek Jhalak (Hindi) Calcutta 1967
E R Neane *United Provinces District Ga etteers* Vol IX *Farrukhabad* Allahabad 1911
A E Nelson *Central Provinces District Ga etteer Raipur District* Byoulla 1909
A E Nelson *Central Provinces District Ga etteers Jubbulpore District* Bombay 1909
W E Nelson and S V Fitzgerald *Amraoti District Ga etteer* Bombay 1911
L S S O Malley *Bengal District Ga etteers Patna* Calcutta 1923
L S S O Malley *Bengal District Gazetteers Puri* Calcutta 1908
L S S O Malley and Man Mohan Chakravarty *Bengal District Ga etteers*

Howrah Calcutta 1909
R P Patodia *Shri Nawalgarh Vidyalay evam Pinjrapole* (Hindi) Calcutta 1959
John Phipps *A Guide to the Commerce of Bengal* Calcutta 1823
P W Powlett *Gazetteer of the Bikanir State*
R V Russell and Hira Lal *Tribes and Castes of the Central Provinces* 3 Vols London 1916
R V Russell and C B Brown *Yeotmal District Gazetteer* Calcutta 1908
R V Russell *Central Provinces District Gazetteer* Damoh District Allahabad 1906
R V Russell *Central Provinces District Gazetteer* Nagpur District Bombay 1908
2nd Andhra Pradesh Rajasthani Snatak Samellan *Sansmarika* (Hindi) Hyderabad 1966
Sunil Kumar Sen *Studies in Economic Policies and Development (1848 1926)* Calcutta 1965
Jhabarmal Sharma *Sikar ka Itihas* (Hindi) Calcutta 1922
N K Sharma *Jaisalmer Parichay* (Hindi) Part I Jaisalmer 1970
Hukm Singh Sodhi *Biographies of Rulers Noblemen and Gentlemen of Bikaner* (Urdu) Bikaner 1894
Howard Spodek On the Origins of Gandhi s Political Methodology Heritage of Kathiawad and Gujerat *Journal of Asian Studies* XXX (February 1971) pp 365 369
Edward Thornton *A Gazetteer of the Territories under the Government of the East India Company and the Native States on the Continent of India* London 1857
Col James Tod *Annals and Antiquities of Rajasthan or the Central and Western Rajpoot States of India* 2 Vols Calcutta 1894
S D Tripathi *The Kanpur Money Market A Study into the Problems of A Regional Money Market* Delhi 1957
Major J H Tull Walsh *History of the Murshidabad District* Bengal with Biography of some of its Noted Families London 1902
D E Wacha *A Financial Chapter in the History of Bombay City* 2d Ed Bombay 1910
G K M Walter *Gazetteer of Marwar Malani and Jeysalmere* Calcutta 1877

Miscellaneous

Francis Bernier *Travels in the Moghul Empire A D 1656 1668* Translated by Archibald Constable London 1914
Gopal Krishna Development of the Indian National Congress as a Mass Organization 1918 1923 *Journal of Asian Studies* XXV (May 1966) pp 426ff
D A Low *Soundings in South Asian History* Berkeley Calif 1968
B B and H R Majumdar *Congress and Congressmen in the Pre-Gandhian Era 1885-1917* Calcutta 1967
B B Misra *The Indian Middle Classes* London 1961

Directories

The Bengal Agra Directory and Annual Register 1843-1854 Calcutta 1843-54
G D Binani and R V Rama Rao *India at a Glance* Bombay 1951

Waman P Kabadi *The Indian Who s Who 193 1938* Bombay 1937
Jnanendra Nath Kumar *The Genealogical History of India* Part I Calcutta n d
M S Mudaliar *Hyderabad Almanac and Directory for 1974* No II Madras 1873
Thomas Peters ed *Who s Who in India* Poona 1937
A G Roussac ed *The New Calcutta Directory for 1863* Calcutta 1863
Thacker s Post Office Directory of Bengal Calcutta 1865
Thacker s Indian Directory 1866 1930 Calcutta 18 66-1930
The Times of India Yearbook and Who s Who 1941 Bombay 1941
Who s Who in India Lucknow 1911 Supplement Lucknow 1912

FOREIGN FIRM HISTORIES

Andrew Yule and Company *Andrew Yule and Co Ltd 1863 1963* Calcutta, 1963
H A Antrobus *The History of the Assam Company 1853 1953* Edinburgh 1957
H A Antrobus *The History of the Jorehaut Tea Co Ltd 1859 1946* London 1948
A History of Bird and Co 2 Vols Private printing
George Blake *British India Centenary 1856 1956* N p n d
Colm Brogan compiled *James Finlay and Co Ltd Manufacturers and East India Merchants 1750 1950* Glasgow 1951
Hilton Brown *Parry s of Madras* Madras 1954
Boyd Cable *A Hundred Years of the P and O* N p 1937
F De Souza *The House of Binny* Madras 1970
John S Gladstone *History of Gillanders Arbuthnott and Co and Ogilvy Gillanders and Co* London 1910
Godfrey Harrison *Bird and Company of Calcutta* Calcutta 1964
W A Lawthropp *The Story of the Assam Railway and Trading Co Ltd* 1881 1891 N p n d
Sir Harry Townshend *Shaw Wallace and Co* Shah Wallace and Co Ltd Calcutta n d
G W Tyson *100 Years of Banking in Asia and Africa* London 1963

Glossary

AGGARWAL A trading caste

ANNA An Indian monetary unit 1/16 of a rupee

ARYA SAMAJ A religious reform group

ASAF JAHI The ruling dynasty of Hyderabad

BANIA A general term for members of trading castes especially in North India Thus Aggarwals Maheshwaris and Khandelwals are all Banias Khatris though trading caste in point of fact would not be considered Banias because of the fact that their caste myth is martial rather than commercial Banias are often also called Mahajans or Vaish

BANIAN The guaranteed broker to a foreign firm

BASA A collective mess run by a group of Marwari merchants or by a large firm

BHATIA A trading caste from Bombay

BRAHMIN cf Bania The general name for all high status priestly class members

CASTE In our usage an usually endogamous Hindu group with a common group identity A few castes which need not concern us here have regular hyper gamous relations with other castes Caste or jati should be differentiated from varna the four status classes proposed by classic Hinduism and from caste clusters groups of castes with many common traits and roughly equivalent status The Marwari Aggarwals roughly constitute a caste one of several in the Marwari migrant caste-cluster and one which popular opi nion would place in the Vaish mercantile class

COMPRADOR Narrowly the official who handled the Chinese side of an English firm s activities in China More broadly businesses or persons connected with and oriented toward expatriate business firms

EAST INDIA CO A joint stock company which ruled India until the British government assumed direct rule in 1857

ENDOGAMOUS Describes a group that marries only its own members contrasted to an exogamous group

ENTREPOT A commercial center a place to which goods are brought for distribution to various parts of the world As in Moscow is the entrepot of Asia and Europe. or The most important entrepot of the herring fishery was Yarmouth in Norfolk." (*The Compact Edition of the Oxford English Dictionary* p 879 London 1971)

ENTREPRENEUR See beginning of Chapter II for varying definitions

FUTURES Transactions buying and selling commodities for delivery at a certain future date and the business of engaging in these transactions The commodities are often not delivered but on the delivery date settled by a payment of the difference between the promised price and the reigning market price Some Indian futures markets are complicated by existence of rain bargains"— bets about which day the rainy season will start. Since that date more or less determines the size of the crop the amount supplied to the market and

the price it is logically equivalent to a futures transaction and is often related to them

GADDI Specifically a pillow a large sitting pad or a throne By extension a business office the floors of which are usually covered by a stuffed white pad

GANDHABANIK A Bengali trading caste

GOMASHTA An agent or sub-clerk

GUNNY A jute fabric

HESSIANS A jute or hemp fabric

HUNDI An indigenous bill of exchange

HUNDI NUKL A ledger containing entries of hundis

JAIN An Indian religious sect

JAMA VAHI A record of the physical inventory of a firm

JUTE A fibre used to make various coarse fabrics

KACCA PRESS For jute See stronger pucca jute press

KHANDELWAL A trading caste

KHATA VAHI An account ledger

KHATRI A North Indian caste prominent in trade

KOLWAR A caste group whose membership in the Maheshwari caste was disputed

MAHESHWARI A trading caste

MAHISHYA A Bengali caste

MALGUZAR A synonym roughly for zamindar in the Central Indian area

MANAGING AGENCY A firm which contracts to undertake the management of another for recompense from the managed firm s coffers

MARATHAS A power group of castes in seventeenth and eighteenth century India with their base in the West of the subcontinent

MEMON A Muslim trading community from Gujerat.

MOGHUL Rulers of India from 1525 to the eighteenth century

MUNDI The script in which old style business correspondence and ledgers were kept Cf Vanika script in Bikaner Mahajani script in Punjab and U P All terms are used interchangeably

MUNIM A clerk

MUTSUDDI A member of a class of hereditary civil servants in some princely states

MURSHIDABADI Oswal merchants in Murshidabad Bengal settled there in the eighteenth century

OLD BELIEVER A member of a heretical Russian sect

OSWAL A trading caste

PANCHAYAT A council to govern a caste a market or a locality

PARSEE A member of the Zoroastrian religion in India

PESHWA One of the leading Maratha rulers

PINDARI NAWAB A marauding prince in eighteenth century North India

PINJRAPOLE An animal refuge

PORWAL A trading caste

PRAJA Populace in contrast to Raja ruler

PUCCA JUTE PRESS A higher power jute press which compressed raw jute sufficiently for export Contrasted with the less powerful "kacca presses

PURDAH Literally a veil More generally the custom of seclusion of women and other restrictions on their activity

QAIMKHANI The former Muslim rulers of Shekhavati
RAJA Ruler
RAJPUT The warrior-cultivator caste to which many Indian princes belong
ROKAR VAHI A cash ledger
RUPEE An Indian currency unit Abbreviation Rs
SAMVAT The year order in various Indian calendars Here short for Vikrami Samvat
SANATANI The orthodox Hindu party opposed to the Arya Samaj
SETH Wealthy merchant especially the proprietor of a firm occasionally used as a proper name as The Seths of Ramgarh for the firm proprietors there
SHAHA A Bengali trading caste
SHEKHAVATS The Rajput clan that ruled in Shekhavati
SHROFF A traditional style banker
SPECIE Gold and silver commodities used as a medium of exchange
SUBARNABANIK A Bengali trading caste
SWADESHI MOVEMENT A movement for independence especially expressed by a desire to substitute indigenous for imported wares
TERAPANTHI A subsect of Svetamber Jains usually contrasted with Mandirpanthis
THAKUR Literally lord title of a feudal estate owner more generally a courtesy title of Rajputs in North India
UNTOUCHABILITY ABOLITION A movement to secure the abolition of those discriminations against various low status castes usually called untouchability
VALLABHACHARYA VAISHNAVAS A Hindu religious sect
VAHI A traditional style ledger
VEDAS The oldest Hindu religious scriptures
VICEROY S LEVEE A ball of the Viceroy (the Ruler of India under the British) the height of the Calcutta social season
YATI A Jain holyman
ZAMINDAR Literally landowner more specifically holders of landed estates liable in return for the recognition of their right of possession to pay their estate s land revenue

Index

Africa role of tradition in 17
Aggarwal Harbilas migration to Assam 198
Aggarwal Choudhris connection with Nawabs 110
Aggarwals business centres of 112 conservatism of 67 educational level among 67 jute mills owned by 117 merchant caste of 11 migration to Bhiwani 113 114 Malwa 44-45 split on foreign travel 73 cotton textile mills owned by 117
Agricultural enterprise theory 127
Akhil Bharatiya Maheshwari Mahila Parishad reformist role of 76
Alexander Alec on entrepreneurial groups 23
All India Marwari Aggarwal Mahasabha reformist role of 76
American capitalism and Indian capitalism differences between 127
Anti Marwari riots 103
Anti moneylender riots 102
Armenians of Calcutta community organization of 27
Assam Marwari immigrant statistics 197 201 Marwaris in 43

Bagla Rai Bahadur Bhagvandas 206
Bagla Raja Shivbaksh 206 litigation by 59
Bagri Bakhtavarchand migration to Calcutta 192
Bahadur Mahasingh Rai Meghraj Assam business of 55 197 198
Bahadurmal Hazarimal Hiralal firm founded by 194
Bajai Bacchraj Jamnalal 219
Bajaj Jamnalal Japan trade of 63 role in national movement 166 220
Bajoria Ramchandra migration to Calcutta 189
Bajoria Ramjidas 69
Baled Jute Association of Calcutta formation of 54
Bangur Magniram 74n leading speculator 163 192
Bangurs as associates to Somani 82 purchase of British firms by 78
Banias census figures on 11 107 110
Bansilal Abirchand (of Nagpur) 74n 192 212 219 great firm of 133 organizational structure of the firms of 136-137
Bapnas of Pathua 130
Basa use for newcomers 5
Beg Mohammed Dawood 191
Benares Marwari merchant house of 42
Bengal early Marwari merchants in 41-42 204-206
Bengali banians position of 151
Bengal National Chamber of Commerce complaint against Marwaris by 58 vs Marwari Chamber of Commerce 71
Bengalis and Marwaris contrast in commercial orientation 8-9 15 anticommercial orientation of 8-9 industrial ownership of 10 retreat from business 58 59

Bangani Jivanmal interest in jute trade 53 193 194
Bhagoti Ram 13 131
Bhandari Kanhaiyalal 2 8
Bhandari Nandlal 206 216 entrepreneur descendants of 34 35
Bhandari directories 105 106
Bhatias as banians in Briti h firms 156
Bhatter Harkishendas 70
Bhavsinghka Ramrikhdas 188
Bhiwani merchants migration to and from 113 114
Bihar Marwaris in 43 Marwari migration to 55 201 204
Bikaner State concessions offered by 99
Birla G D 150 151 157 168 191 on education among Marwaris 52 his nationalism 69 70 jute mills started by 171 role in national movement 68
Birla Jugal Kishore role of 70 162 163
Birla Raja Baldevdas religious dedication of 70
Birla Rameshvardas 70 issue of remarriage of 74
Birla Brothers Japan trade of 63 rise of 168 171 leading jute exporters 62
Birla enterprises association of 81 82 growth of 81
Birlas as workers 146 as industrialists 64 as leading speculators 168 companies of 196 Japan trade of 63 leading opium speculators 162 163 plague influence on migration of 101 purchase of British firms by 78 rise of 66
Bombay Marwari migration to 52 179 185
Bombay port growth of 99
Bombay Presidency Marwari migration to 44 113 220-223
Bombay Stock Exchange founding of 165 rise of prices in 166
Bose Committee Report findings on Ram Krishen Dalmia 83
British firms Marwaris purchase of 78 role of Marwari banians in 149 151 role of Marwari brokers in 148 151
British Indian empire build up of 42-43
Burmese Marwaris account of 206-209 holding on rice and lumber export trade 120 188

Calcutta early Marwari presence in 48 Marwari bankers of 53 Marwaris industrial holdings in 120 Marwaris migration to 52 55 56 186-187 1921 mercantile population of 57 1928 29 trade pattern of 56
Calcutta business Marwaris capture of 57-62 66
Cal utta Directories Marwari firms referred to in 52 53
Calcutta Marwari Association founding of 71 infighting in 75
Calcutta Marwari Panchayat 70
Calcutta phone book Marwari firms listed in 197
Calcutta Stock Exchange 163 founding of 165
Calcutta port growth of 99
Calcutta Vaishya Sabha 71 72
Cement industry Marwaris entry into 64
Central India industrial holdings in 120-121 Marwaris business in 66 Marwaris migration to 44 113 212 214 Marwaris in 43
Chainrup Sampatram cloth market in Calcutta of 194
Chamaria Hardutrai jute mills founded by heirs of 64 162 188 litigation by 59
Chamarias as opium speculators 162
Chayanov A V on theory of agricultural enterprise 127
Chemicals glass mills Marwaris entry into 119

Chettiars 120
Child rearing practices impact of 26
Chinese compradors role of 151 157 159
Chinese of South Asia study on 28
Chinese Revolution and impact on opium exports 163
Chirawa migration from 53 102
Chokhani of Nawalgarh listed as a bania 152
Chopra Bhairodan (of Gangashahr in Bikaner) role of 193
Chowdhury Sir Chajuram weal thiest man in Calcutta 190
Churu account of 210 merchants belonging to 47
Cloth import trade Marwari as broker in 148
Coal industry Marwaris entry into 55 56
Coal mines development of 49
Coal shares boom in 163
Commercial activity regional ap proach for study of 8 9
Commercial community category of 7 industrial entrepreneurs from 40 reciprocal support institutions of 5-6
Commercial directory of 1840 47 52
Cotton crops Marwari financing of 45
Cotton gins 117
Cotton export 46-49
Cotton textile exports decline of 46 Japan 62-63
Cotton textile imports 1866-1916 data on 49
Cotton textile industry first 49 Marwaris entry into 63-64 117 226-227
Cotton trade impact on Marwari migration 100 121
Credit manipulation genius of 29
Creed and entrepreneurship 33 37
Currimbhoy Petit Cotton Mills Marwaris take-over 64
Customs barriers impact on mer chant migration routes 100
Daddas of Phalodi 100 130 banking business of 58 branches of 130 spread-out of 215 trading ope rations of 47
Daga Bansilal Abirchand branches of 47 *see also* Bansilal Abir chand
Daga Kashmirchand Kapur Chand 219
Dalmia Hargovind Rai 168 171
Dalmia Mamraj Rambhagat 188
Dalmia Ram Krishen 64 203 211 Bose committee report on 83
Dalmia Jain enterprises growth of 82
Dalmias as industrialists 64 212 migraion of 111 purchase of British firms by 78
Delhi migration of Marwaris to 211 212
Delhi-Calcutta rail route impact on Marwari migration 100 101
Devkarandas Ramkumar Chokhani 47
Dhandhanias of Bhagalpur landed estates of 55
Didu Maheshwari Panchayat 70 founding of 74
Dudhwawala Baldevdas as a leading stock market speculator 167 168
Dugar Chainrup migration to Cal cutta 194

Eastern India Marwaris business domination in 65-66 Marwaris migration 113 197
Economic Sociology questions re lating to 15
Emigration and migration relations between 92 93 95
Engineering mills Marwari hold on 119
Entrepreneurs characteristics of 38-40 definition of 18-22 old vs new style 21 22 undertaker vs creative 20-21
Entrepreneurship traditional insti tutions utility in 15-17

European agency houses Marwaris as brokers to 56 *See also* British firms
Exports 1869 1924 statistics on 50

Famines and plague impact on Marwari migrations 101
Farrukhabad Ganges port of 42 Marwari firms branches at 42
Federation of Indian Chambers of Commerce and Industry (FICCI) international politics of 83
Foreign travel caste restrictions on 73
Fox Richard on small town merchants 21
Funeral feasts opposition to 76

Ganeriwala Chimanlal 206
Ganeriwalas founding of 224 Aggarwal banking firms in Hyderabad 224
Ganges Valley grain markets operations in 46
Ganges Valley trade Marwaris role in 45 46
General theory of migrations applicability to Marwaris 91 93 95 105
Ghosh Ramgopal joint ventures with Europeans 59
Goenka Sir Badridas 54 191 on role of brokers 151
Goenka Fulchand 205
Goenka Sir Hari Ram 149 154 154 189
Goenka Ramdutt descendants of 153 rise of 52
Goenka Sadhuram Tolaram 69 157
Goenka Satyanarain 211
Goenka Cotton Mill in Delhi establishment of 211
Goenka enterprises growth of 82
Goenkas as a leading *banian* 152 154 connection with the Greek Rath firm 153 migration of 111 purchase of British firms by 78
Gokuldas Raja landholding of 60

Government of India Act of 1935 Congress governments under 77
Grain trade Marwari entry into 188
Great Depression of 1929 impact of 64-65
Geertz Clifford on small town merchants 21 22 on Balinese princes 23 24 on entrepreneurial problems 28 on *Priyaji* class of Indonesia 23
Gujarat Marwari migration to 184 185
Gujaratis dominance in industry 9 10 migration routes of 9
Gunny Marwaris as brokers in 150
Gursahaymal Ghanshyamdas 152
Gwalior State concessions offered by 99

Hardayal Sojiram branches of 47
Hardevdas Gurudayal 188
Harisingh Nihalchand as leading shippers 62 firms of 156 migration to Calcutta 193
Hazarimal Hiralal Rampuria leading Indian cloth importers of Calcutta 226
Hessians traders 150-151
Hides trade Marwaris share 56
Hinduism and newstyle entrepreneurship 32 33
Hirsch Leon 150
Hyderabad Marwari firms of 42 migration to 121 122 223 224 Marwari moneylenders in 43

Imperial preference system of 78
Imports and exports of Calcutta (1928 29) 56 1860s 1920s position of 51
Indian Chamber of Commerce founding of 75 76
Indian entrepreneurs secret of success of 16 17
Indian industrialization growth of 3 factors helping 65 77 Marwaris role in 63-65 68 post independence spurt in 79 82

Indigo trade decline of 49 51 101
Marwaris engagements in 46
Indira Gandhi s Government Marwari business support to 82 83
Indonesia entrepreneurship in 23 24 28 small town merchants of 21 22 *Priyaji* class of 23
Indore State concessions offered by 99
Industrial Commission of 1916-1918 on Marwaris capture of jute trade 57
Innovation and Change and migration ralation between 97
Intercaste marriages start of 76

Jain S P controversy relating to 83
Jain Khandalwals entrepreneurship of 35 *see also* Khandelwals
Jain Oswals entrepreneurship of 34 *see also* Oswals
Jains as textile industrialists 34 studies on 35 estimation of 16 34
Jaipuria Ramkumar 211
Jaipurias industrial interest before 1946 197
Jaisalmer Marwari migration to 113 population of 113
Jalan Surajmal entry into jute trade 53 64 69 migration to Calcutta 189
Jalans purchase of British firms by 78
Japan Indian cotton exports to 62 63
Jati-Cluster definition of 5
Jatia Sir Onkar Mal 155
Jatia enterprises growth of 82 155-156
Jesraj Chentram leading Bombay Marwari 182 183
Jewellery Oswals entry into 193
Jews of Calcutta community organization of 27
Jharia coalfield in Bihar Marwaris hold over 203
Jhunjhunwala Baldevdas Jagannath 205
Jhunjhunwala Mangalchand 205
Jhunjhunwala Surajmal 102 154 as banian to British firms 53 Calcutta base of 5 death of 59 leading Calcutta Marwari 187
Jindaram Harbilas 188
Joint family system impact on entrepreneurship 17
Jute Balers Association 188 105
Jute Industry 230 first 48 Marwaris entry into 64 117 started by G D Birla 171
Jute presses 117 190
Jute trade 48 Marwari rise in 53 54 189 Marwaris entry into 56 109 193 Marwaris as broker in 148 149

Kakraniya Dulichand as jute press owner 53 188 189
Kakraniya Harsukhdas migration to Calcutta 188 189
Kanois purchase of British firms by 78
Kanoria Lakshmi Narain connection with McLeod and Co 150
Kanoria Mukhram migration to Calcutta 192
Kanorias as Birla associates 82
Kanpur commercial importance of 54 55
Kanpur directory 106
Karachi Marwari migration from 121
Karnani Sukhlal 74n migration of 105
Kashmiri shawl trade Marwaris engagements in 46
Kenya entrepreneurship in 19
Keshavdas Setabchand 194
Kettlewell Bullen Goenka s connection with 154
Khandelwals merchant caste of 11
Khetri copper mines closure of 101
Kothari Kasturchand 75n

Kothari Sadasukh Gambhirchand migration to Calcutta 191
Kotharis as Birla associates 82

Lakshmangarh migration from 105
Lakshmichand Radhakrishnan of Mathura withdrawal from commerce 61
Landholdings Marwaris investments in 60 Murshidabad s interest in 195
Leading industrialists community assets of 10
Lebanese entrepreneurs survey of 18 19
Levin S F on role of traditional attitudes 17
Litigation Marwaris avoidance of 58 59
Lodhas of Ajmer large firm of 132 litigation by 59
Lohia Nirmal as leading opium speculators 164
Loya Balmukund 222
Lumber trade 190

McClelland David on n-achievement and economic growth 24
Madras Marwari migration to 224 225
Mafatlal 1962 withdrawal from FICCI 83
Mahalakshmi Flour Mill establishment of 211
Maharashtra Marwari moneylenders in 41
Mahendragarh Narnaul migrants 105
Maheshwari Maha Sabha reformist role of 76
Maheshwari Sabha dissidents from 74
Maheshwari stock brokerage firm founding of 192
Maheshwaris Calcutta split of 74 cotton textile mills owned by 117 226-227 merchant caste of 11 migration 108 to Calcutta 191 192 to Deccan 44 progressivism among 69 70 role in jute trade 117 188
Mahishvas of Howrah study on 23 25
Malcolm John 214 on Marwari migrants 44
Malpani Seth Goculdas 131
Malpani Sevaram Khushalchand 152 branches of 47 *see also* Sevaram Khushal Chand
Malwa Marwari migration to 44 statistics on 214 215
Malwa opium trade immigrant merchants dominance in 45
Mandawa Calcutta merchants from 52 migration from 102
Maniram Tilokchand opium business started by 216-217
Marris Peter on entrepreneurship 19
Marwar location of 10
Marwari Chamber of Commerce founding of 71 vs Bengal Chamber of Commerce 71
Marwari diaspora composition of 11
Marwari firms accounts of 131 133 economic development of 127 129 types of 129 130 history of 145 147 impact on 156-157 in Bombay 182 186 ledgers 140 145 organizational structure of 133 137 relations with British firms 154 157 role as a banian 151 151 *see also* Individual firms
Marwari migration circumstantial factors in 101 102 commitment factor in 92 93 95 factors promoting 96-102 hospitality factor 102 103 selectivity factor in 95 96 factor of security and concessions in 98 99 incremental factor in 102 influence of new routes and markets on 98 101 merchant population of Bombay data 181 process of 105 112 British empire and 97 98 population statistics on 88 89 218 travellers accounts of 106

Marwari progressives and conservatives struggle between 69 70 72-76
Marwari Relief Society Calcutta founding of 72
Marwari resource groups benefit of 51
Marwari Sammelan (Calcutta) membership qualification of 10-11
Marwaris and Europeans respective control of Indian economy 79 and Gujarati culture place of commerce in 9 Gujaratis competition between 44 and Punjabi Khatris competition between 46 colloquial term for 10 conservatism of 67 educational level among 67 dominance in industry 9 10 economic role of 175 177 industrial assets owned by 11 major castes among 11 migration routes of 9 modernization of management by 83 n achievement of 25 present political stance of 82 83 religious beliefs of 146 resource groups of 38 role in British India 37 38 role in nationalist movement 157 social reform movement of 68-76 vs Bengalis comparative success in Calcutta business 57-61 vs Gujaratis comparative success in Calcutta business 61 vs non Marwari banians comparative success in Calcutta business 61-62 vs Punjabi Khatris comparative success in Calcutta business 61
Marginal groups and entrepreneurship 26
Marxists on entrepreneurship 20-21
Memons study of 6 25 36 134
Merchant migration categories of 90-91 cumulative factor in 115 studies on 90n
Merchants as industrial entrepreneurs 29-30
Mica mining industry Marwaris entry into 55
Mirzapur decline as trade centre 54-55 river port of 100
Mohta Bhikamchand 221
Mohta Ram Gopal 74n
Mohtas of Karachi as Birla associates 82
Monopolies Inquiry Commission 198 on Birla group 82 Marwari owned enterprises listed in 11 Gujarati owned enterprises listed in 10 big industrial houses listed in 9
Mughal period Marwari outmigration in 41
Mukherjee Rajendranath joint ventures with Europeans 59
Mukim Rai Bahadur Badridas as prominent jeweller in Calcutta 195
Mundhra Brij Vallabhdas 75n
Mundhra Haridas 198
Mundhra Ram Gopal 75n
Murshidabad Oswal merchants of 41-42
Murshidabad firms 193 197 201
Musuddi Ganeshdas 152
Musuddi family as banians to British firms 53 as a leading banian 152
Myrdal Gunnar 127
Mysore Marwari migration to 225

"N-achievement and business success 24-25 138
Nainsi Padamsi role of 215
Narnaul immigrants 105
National movement Marwaris contribution to 68-69
New England merchant migration to 102
Newatia Ramdayal Hardayal 185 214
Nihalchand Harisingh 42
North India early industrial centres of 3
North Indian Sugar industry study on 150

Oil cakes trad Marwaris share of 56

Oil mills 117
Oilseeds 188
Onkarji opium business started by 218
Opium crops Marwaris financing of 45
Opium exports British policy of curtailing 165
Opium trade 101 121 123 168 decline of 49 51 impact on Marwari migration 100 Marwari brokers employed in 150 Marwaris engagement in 45 46 operations 186 speculative markets in 161 163
Orissa private census of Marwaris in 87
Oswals business centres of 112 conservatism of 67 cotton textile mills owned by 117 educational level among 67 entry into jute industry 53 merchant caste of 11 migration to Bhiwani 113 114 to Deccan 44 to Calcutta 192 193 prominent in jute trade 109 190
Owens Raymond on entrepreneurial qualifications 23 24

Papanek Hanna on Memons 5 6
Parakh Ravatmal migration to Madras 225
Parsees dominance in Industry 110 role as banian in British firms 156
Parsees of Calcutta community organization of 27
Pariah entrepreneur Weber s description of 30 31 Richard Fox on 31
Phalodi State as merchant state 130 insecurity in 99 merchants belong to 47
Pinjrapole society of Calcutta formation of 71
Pitty Raja Govindlal (of Hyderabad) cotton mill bought by 63 64
Pittys Aggarwal banking firms in Hyderabad 224
Poddar Anandilal 183 184 role in national movement 68
Poddar Jainarain 72 135 188 supporter of Arya Samaj 48
Poddar Keshoram 171 190 as stock market speculators 167 Japan trade of 63
Poddar Soniram 168
Poddars of Bombay 100 101 130 charities of 59 Japan trade of 63 trading operations of 47
Porwals merchant caste of 11
Prahlodhka Harduttrai Motilal 188
Pran Kissen Law 154 land holdings of 60
Prasad Sital Prasad Kherag (of Benaras) 61
Primitive Accumulation discussion on 171 172 Marx s classic formulation on 171
Protestant Ethic thesis criticism of 32 disproval of 27 and entrepreneurship 26
Psychic marginality theory difficulty of testing 27 28
Punjab Marwari migration to 113 212
Punjabi wool trade Marwaris business in 42

Rajasthan futures markets Marwaris training in 9 merchant emigrants from 9 10
Ralli Alexander Greek firm founded by 153
Ralli Bros 153 154 Hari Ram as broker in 151 grain export in Calcutta by 188
Ramdayal Hardayal firm opium operation by 185
Ramgarh Calcutta merchants from 52 merchants belonging to 47
Ramgarh insecurity in 99
Ramjidas Sadhuram branches of 97
Ramniranjandas Badridas 188
Rangnekar D K on Indian business community 22

Ratangarh Marwaris migration from 105
Raw silk export decline of 46
Reciprocal support institutions of 5 6
Recompression occurrence of 95
Redlich Fritz on creative entrepreneurs 21
Religious beliefs 146
Religious expenses Marwaris incurrence of 59
Resource group 37 211 lack of 153 role in economic success 29
Rothschild family spread out of 102
Royal Exchange of Calcutta restrictions on entering 54
Rubber mills holds on 119
Ruia Ramnarain 214 leading Bombay banian 182
Ruios Japan trade of 63
Rukmanand Bridhichand Churu firms established by 194 195
Rungta R S on Calcutta Marwaris 22
Rungta Swarupchand Prithviraj 183
Russian Old Believers entrepreneurial achievements of 27

Sanskritization 73
Saraf Nathuram 102 205 Calcutta base of 50 rise of 52 as a leading banian 152
Sarafi system 6
Sardarshahr importance in cloth and jute trade 113 196 Marwari migrations from 105
Sarupchand Hukumchand Sir 64 70 157 as industrial entrepreneur 35 as an opium speculator 168 170 India s leading speculator 162 217
Say Jean Baptiste entrepreneur defined by 18
Sayegh Yusuf survey of Lebanese entrepreneurs by 18-19
Schumpeter Joseph theory of entrepreneurship of 19 20 22
Seksarias as industrialists 64
Seth Jagat 42
Sethia Agarchand Bhairodan 226
Sevaram Khushalchand 60 131 221
Sevaram Ramrikhdas 46 52 152 155 as banian in British firm 53 division of 47
Shaw Wallace 152
Shekhavati and Punjabis social custom differences between 105 migration to Calcutta 45 Maratha and Jat invasion in 101 102 regional map of 94
Shekhawati Aggarwals as grain market operators 46
Shekhavati migrants 109 110
Shekhawati region location and importance of 10 speculative tradition of 165-166
Shellac trade Marwaris share of 56 Marwaris entry into 56
Shiv Narain (grandfather of G D Birla) as new comer to Bombay 5
Shroffing definition of 128
Silver futures market organization of 162
Singh Ranjit 43
Singhania Chimanram opium dealing by 185
Singhania Gulraj 214
Singhi Dalchand first President of Jute Salers Association 193 family holdings of 42
Singhi Puranchand 196
Sirkar N C joint ventures with Europeans 59
Sirsa Marwari migration from 105
Somani G D 82
Somani M D 150 168
Soni Jorawarmal Gambhirmal (of Ajmer) 70 161
Soonee Babulal (of Didwana) as stock broker 163 role of 163
Southern India Marwaris business in 66
Southern Italian and Northern Indians comparison between 61 lack of joint family in 17

Speculation account of 161 166
fruits of 170 171
States Peoples Movement Marwaris support to 69
Sugar indu try investment in 55
Marwaris entry into 55 64 117
Surajmal Nagarmal Jute mills founded by 64 190 Jute press owners 53 54
Sureika Bishundayal Hardayal 190
Swadeshi movement role in new industry 8

Tagore Dwarkanath indigo factories of 46
Tarachand Ghanshyamdas 47 48 72 131 as a banian 154 branches of 137 history of the firm of 145 147 leading Calcutta Marwari 188 structure of the firm of 133 136
Tata Sir Ratan D role in Japan trade 63
Tatas 1962 withdrawal from FICCI 83 as industrial pioneers 63
Tea industry Marwaris entry into 55 Marwari monopoly over 118 200 201
Tea trade 48 impact on Marwari migration 100 Marwaris entry into 56
Textile imports 46
Textile industry Gujarati dominance in 10 Marwari role in 183
Thacker s Indian Directory 189
Tilak Memorial Fund Drive 171
Tipu Sultan 42

Traditional institutions role in economic progress 15 17
Tukoji Rao II Maharaja role of 216

Udaymal Chandmal 130
United Bengal Presiden y emigrants to 113
Uttar Pradesh Marwaris migration to 207 211

Vallabhacharya Vaishnavas Weber s estimation of 16 33 34
Vegetable oil mills investment in 55
Vishveshvarlal Hargovind as war time speculator 168

Weber Max 22 147 195 disproved notion of 16 on emergence of entrepreneurs 20 on Indian entrepreneurs 30-31 limitation of 28 on rationality 26 on role of Protestant Ethic 32 on non Western societies 127
Western economics and non Western differences between 128
Western India Marwaris share in business of 66
Westernization 73 among Marwaris 82
Widow remarriage orthodox reaction to 74
World War II impact on Indian busine s 78

Yule firm account of 155 156
Yule Sir David 155